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BACHELORARBEIT

Inja Schneider

Einführung eines Direktvertriebes in einen Nischenmarkt –
Eine Machbarkeitsstudie basierend auf dem Fall von Essential Care Organics

Implementing a direct selling channel in a niche market –
A feasibility study based on the case of Essential Care Organics

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- ABSTRACT
The thesis presents an investigation of the question whether it is viable for the English company Essential Care to introduce a direct selling channel in the United Kingdom.
The thesis provides an outline of the direct selling and labour market in the United Kingdom, including organisations and legislation for direct selling.
A SWOT analysis illustrates the external and internal factors that could have an influence on the feasibility of the project.
The main part of the thesis focuses on a market research survey which was conducted in the United Kingdom. Followed by an analysis of the results it provides a detailed outline of the findings.
At the end of the thesis the overall findings are summarised and recommendations for Essential Care are presented.-

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Abbreviations

B2C	Business to Consumer
DSA	Direct Selling Association United Kingdom
e.g.	for example
FEDSA	Federation of European Direct Selling Associations
Fig.	Figure
SWOT analysis	Strengths/Weaknesses/Opportunities/Threats analysis
UK	United Kingdom
WFDSA	World Federation of Direct Selling Associations

1. Introduction

Direct selling is a growing sales channel. The size of the global salesforce working in this industry almost doubled from 33.6 million people in 1998 to 65 million in 2008[1]. There are many different ways of direct selling, for example door to door selling or the party plan concept. The cosmetics industry in particular appears to be focusing on the party plan concept in order to expand, which generally involves a consultant demonstrating products to a group of people at a person's home. The most famous example for the party plan concept in general would be the Tupperware Home Party as performed by the American brand Tupperware. The company was founded in 1946 in the USA and is nowadays selling home products in customers' homes in almost 100 countries worldwide[2]. But also in the cosmetics industry, international brands like Avon or The Body Shop focus strongly on direct selling as one of their main sales channels. Unsurprisingly, and particularly for cosmetics, this concept is well suited to targeting a wide range of female customers by selling and demonstrating the products in customers' homes through a network of independent sales people, called 'consultants'.

Essential Care is a small family-run business based in Suffolk, United Kingdom, operating in the organic skincare market. The company does not have its own retail stores, so the main B2C sales channel is its website. Additionally the products are distributed to natural health stores and organic pharmacies, but the recent economic crisis has led to a decline in the company's sales in this channel. Essential Care's market research revealed that its biggest competitor in the United Kingdom has successfully introduced a direct selling channel in form of the party plan concept. The example of this company and other cosmetics brands introducing this sales channel within the United Kingdom, suggests that direct selling may be an alternative and

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[1] World Federation of Direct Selling Associations, "Global Sales Force", 22 February 2010, http://www.wfdsa.org/statistics/index.cfm?fa=display_stats&number=3 (accessed November 8, 2010).
[2] Tupperware Brands Corporation, http://www.tupperwarebrands.com/company.html (accessed November 8, 2010).

effective sales channel for Essential Care. The company plans to introduce a range of organic make up in 2011 which could also be well-suited to the direct sales channel.

1.1 Research Goal

This feasibility study aims to discover if it is viable for Essential Care to introduce a direct sales channel in the form of a party plan concept in the United Kingdom. To test this, different research methods are used to accomplish a number of subgoals.

The analysis of the market in the United Kingdom aims at giving an idea of the general market size and the characteristics of direct selling besides the labour market in the UK. Further it should point out possible market entry barriers besides laws and regulations that have to be satisfied. The aim of the SWOT analysis is to illustrate company-internal as well as external factors which could have an influence on the success of Essential Care's party plan concept and therefore have to be taken into consideration.

The survey is the main focus of this thesis. It is designed to asses the demand of Essential Care's mailorder customers regarding the party plan concept. For this purpose, the questionnaire shall point out the respondents' interest in attending and hosting a home party. Additionally, it shall give an idea of the number of consultants Essential Care could possibly recruit. Further it seeks to profile respondents by age, sex and employment status to give a guide as to potential target groups. The characterisation of these target groups should give a guidance of potential party guests and consultants. In this chapter also some basic aspects of the creation of online surveys will be discussed.

1.2 Research Methods

First of all, the direct selling market in the United Kingdom will be evaluated. This evaluation will be focused on the nature and growth of direct selling in the UK in comparison with other European countries. Also it will consider the current situation of the labour market and the rate of unemployment. Furthermore the role of national and international trade organisations will be explained including an outline of the current legislation and regulation regarding direct selling. Furtheron a SWOT analysis will draw together the information from earlier parts of the study, highlighting internal and external factors that suggest whether the channel would work for Essential Care in general and clearly any future steps that have to be taken. The study will also attempt to quantify the likely demand for Essential Care's direct sales channel by surveying its own customers in the United Kingdom. A survey in the form of an online self-completion questionnaire will evaluate the customers' interest in participating in the party plan concept. The survey will address Essential Care's mailorder customers, which includes over 7000 people in the United Kingdom. The major part of this thesis will provide a detailed outline and analysis of the findings resulting from the survey.

The final part of the feasibility study will provide recommendations to Essential Care about whether to launch a direct sales channel in the United Kingdom. In concluding, it might give information about further actions the company could take to maximise the success of this channel.

1.3 Description of Essential Care

Essential Care is a small, family-run company selling organic skincare products in the United Kingdom. It was founded by mother Margaret, father Colin and daughter Abi Weeds in 2003, however the company history began in the 1980s. Margaret and her family suffered from very sensitive and eczema-prone skin but the products available at that time were not suitable for their skin. Therefore Margaret, who studied aromatherapy and herbal medicine, started to research and create her own formulations for skincare products. These were based on organic ingredients such as herbs which made her products also suitable for the most sensitive skin types.

Up to the present day, Essential Care products are still formulated by Margaret Weeds and suitable for every skin type including the most sensitive skin. All products are hand-made in Suffolk where Essential Care's headquarters are based. The products do not contain synthetic chemicals with only fresh and high quality ingredients used. Further they are certified by the Soil Association[3], an English trade organisation which secures organic standards. Besides Essential Care's dedication to organic skincare, the company follows a philosophy based on sustainability in every business area. This implies choosing locally-sourced material from renewable resources, supporting fairtrade suppliers and the use of a volunteer human panel to test their products.

Essential Care sells in the growing niche market of certified organic skincare products. The growth of this market is confirmed by the Organic market report 2010, published by the Soil Association: "Organic health and beauty products continued to grow rapidly with sales increasing by a third to £36m".[4] The company's main market is in the United Kingdom but its products are further available in 15 European countries. In the UK, Essential Care's main distribution channel is its website, but independent health stores, pharmacies, department stores and luxury grocers also stock a variety of products.[5]

Figure 1: Abi & Margaret Weeds, founders of Essential Care

[3] Soil Association, "Certification", http://www.soilassociation.org/Whatwedo/Certification/tabid/259/Default.aspx (accessed February 22, 2011)

[4] Soil Association, "Organic market report 2010", http://www.soilassociation.org/Businesses/Marketinformation/tabid/116/Default.aspx (accessed February 22, 2011)

[5] Essential Care, "Who we are", http://www.essential-care.co.uk/about-us-310-0.html (accessed February 15, 2011)

2 MACRO-ENVIRONMENT

2.1 UK market analysis

In the following section the market situation in the United Kingdom will be explored. Further this chapter will outline organisations and regulations in the UK direct selling market.

2.1.1 Direct selling market and labour market

As Essential Care firstly seeks to introduce a direct selling channel in the United Kingdom, this market shall be characterised in the following. The main source for the information about the market will be the current statistics presented by the Federation of European Direct Selling Associations (FEDSA), which indicates that in 2010 the total sales of direct selling in the United Kingdom was 992,25 million Euro. This is 9% of the total direct sales in Europe which added up to 10717,45 million Euro in 2010.
Hence the UK is the fourth biggest direct selling market in Europe after Germany, Italy and France.[6]

[6] FEDSA-WFDSA, **"**European Direct Selling Statistics - 2010 Retail Sales",
http://www.fedsa.be/index.php?option=com_content&view=article&id=14&Itemid=8
(accessed February 7, 2011)

The size of the four biggest European direct selling markets is illustrated below:[7]

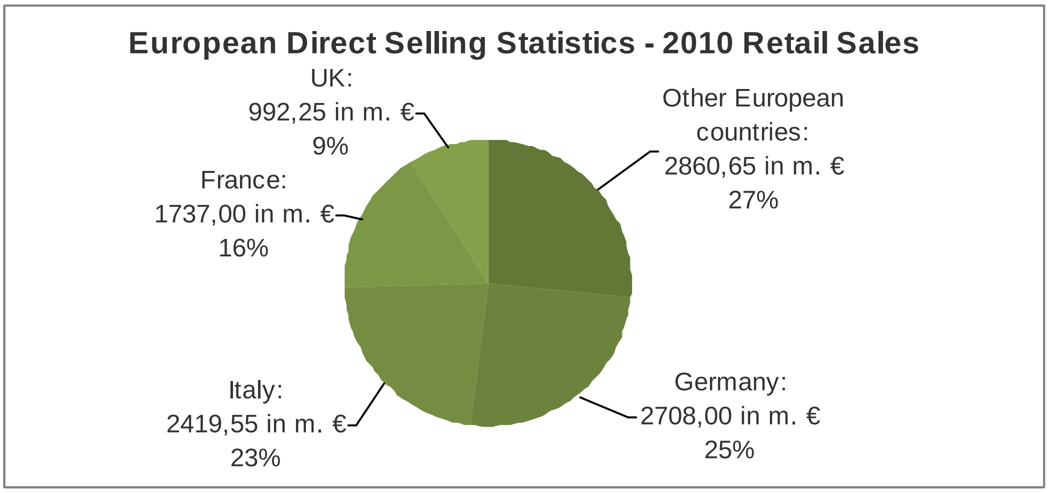

Figure 2: Direct selling market-share weighted index in Europe

[7] http://www.fedsa.be/index.php?option=com_content&view=article&id=14&Itemid=8 (accessed February 7, 2011)

Further it is interesting to see a breakdown of sales divided into product categories:[8]

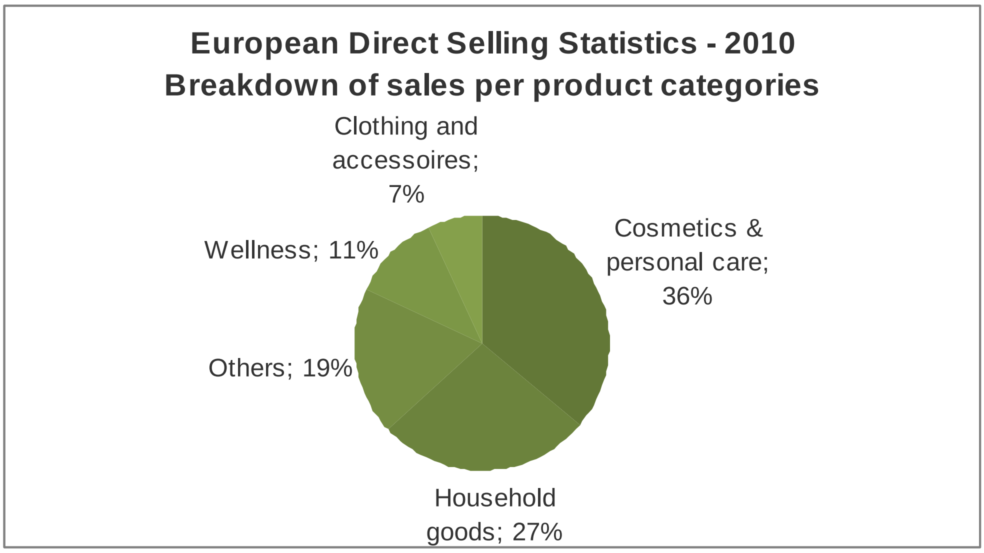

Figure 3: Direct selling market-share weighted index per product category

Fig.3 shows clearly that Essential Care would be in the largest sector of the cosmetics & personal care category through selling organic skincare products. This illustrates that there is already a large existing market for cosmetics in European direct selling which could imply a big competition among existing businesses. This could also indicate that it is a growing and therefore promising market for the future. Besides this, the cosmetics & personal category as largest direct selling sector could lead to the fact that in Europe the majority of persons engaged in direct selling are women. Thereby the UK is above European average of 77% with 85% of women angaged in direct selling (2010).[9]

Another interesting finding concerning direct selling methods is that only 15% of performance in the United Kingdom is performed through party plan selling, where

8 http://www.fedsa.be/index.php?option=com_content&view=article&id=14&Itemid=8 (accessed February 7, 2011)

9 http://www.fedsa.be/index.php?option=com_content&view=article&id=14&Itemid=8 (accessed February 7, 2011)

products are presented to a group of people. The majority of 85% is through person to person selling which implies a product presentation for a single person.[10] This hints at a big market potential for party plan concepts as there are more companies offering person to person selling than offering home parties.[11]

Speaking about the UK in particular, direct selling is a growing market according to an article puplished in March 2010 by the leading international news provider directsellingnews.com:

> "The UK is faring well, partly because of an increase in sales agent recruiting, as more and more people look for second incomes that can be integrated into full-time employment and other time constraints, leading to increases of up to 30 percent for member companies."[12]

Besides this, according to the DSA "Direct Selling is the UK's largest provider of part time, independent earning opportunities."[13] The increase in sales agent recruitment could be due to an increase of the unemployment rate in the United Kingdom as shown by the latest statistics published by the Office for National Statistics in February 2011 which is shown in fig. 4[14]

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[10] FEDSA-WFDSA, "About Direct Selling", http://www.fedsa.be/index.php?option=com_content&view=article&id=9&Itemid=6 (accessed February 7, 2010)

[11] http://www.fedsa.be/index.php?option=com_content&view=article&id=14&Itemid=8 (accessed February 7, 2011)

[12] Katherine Ponder, Rebecca Larson, *Direct Selling News*, "Top-Performing Global Markets", March 2010, http://www.directsellingnews.com/index.php/site/entries_archive_display/top_performing_global_markets, (accessed February 7, 2011)

[13] DSA, "Direct Selling in the News", http://www.dsa.org.uk/start-your-own-business/direct-selling-in-the-news/ (accessed February 7, 2011)

[14] Office for National Statistics, "Labour market statistics" February 2011, http://www.statistics.gov.uk/pdfdir/lmsuk0211.pdf (accessed February 21, 2011)

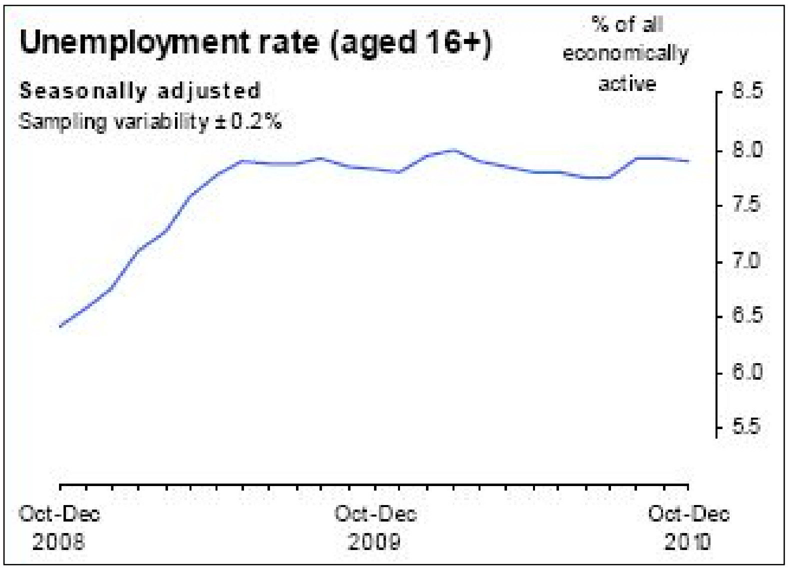

Figure 4: Development of unemployment in the United Kingdom

Furthermore, latest statistics also report on the development of full-time employment in comparison to part-time employment in 2010: "Over the year, full-time employment fell by 5,000 but part-time employment rose by 224,000."[15] Moreover the findings related to the months from October to December 2010 point illustrate:

> "The number of employees and self-employed people who were working part-time because they could not find a full-time job increased by 44,000 on the quarter to reach 1.19 million, the highest figure since comparable records began in 1992."[16]

Having a closer look at this development in relation to women it seems as if they are currently hit harder by unemployment than men which is revealed by an article published by the English newspaper the Guardian: "Women will suffer as they are over-

[15]Office for National Statistics, "Labour Market Overview", February 16, 2011, http://www.statistics.gov.uk/downloads/theme_labour/LMS_Q&A.pdf (accessed February 21, 2011)
[16] Office for National Statistics, "Employment", February 16, 2011 http://www.statistics.gov.uk/cci/nugget.asp?id=12 (accessed February 21, 2011)

represented in the public sector jobs that are vulnerable to cuts"17 and further "The union's study of job losses from 193 councils found that around 84,000 women face unemployment, compared to just under 28,000 men."[18]

In concluding, these findings provide a better understanding of the current market situation in the UK. Furthermore the statistics indicate that the direct selling industry could clearly benefit from the current development of the labour market.

2.1.2 The Direct Selling Association in the United Kingdom

In the following the regulations for direct selling in the United Kingdom shall be summarised briefly. For this purpose, first of all the role of the Direct Selling Association UK (DSA) will be explained. The DSA is a trade foundation for direct selling which was founded in 1965. It protects and supports the interest of its member companies which are direct selling businesses operating in the UK. For this reason, the DSA established a Code of Business Conduct which protects the member companies and features issues related to direct selling that are not covered by law. Besides the protection of the companies, the DSA further established a Consumer Code of Practice. However this code only protects the consumer when purchasing goods from a member company of the DSA.[19] To sum up, the DSA is a well established institution which provides information about direct selling and support for companies. However, it is not necessary to become a DSA member to be able to operate a direct selling business in the UK. Besides this, the member companies also have to pay an annual subscription fee with a rate depending on their membership status. Currently the DSA possesses 38 member companies. Among these companies are some of the biggest and most

[17] Heather Stewart and Rajeev Syal, "Jobless rate for young women doubles as council cuts start to bite" *The Guardian*, February, 13 2011, http://www.guardian.co.uk/uk/2011/feb/13/jobless-women-numbers-double (accessed February 21, 2011)

[18] http://www.guardian.co.uk/uk/2011/feb/13/jobless-women-numbers-double (accessed February 21, 2011)

[19] DSA, "About the DSA", http://www.dsa.org.uk/about-the-dsa/ (accessed February 9, 2011)

successful direct selling businesses of the world e.g. Avon, Mary Kay or Amway.[20] Unsurprisingly, the DSA "member companies account for 59% of total Direct Sales"[21] in the United Kingdom.

Similar association for direct selling exist in other countries as well, like the Bundesverband Direktvertrieb Deutschland e.V. which is the equivalent for the German market[22]. Further, there are two more associations with a wider spectrum than the country specific ones: the Federation of European Direct Selling Associations (FEDSA)[23] and also the World Federation of Direct Selling Associations (WFDSA).[24]

2.1.3 Direct selling regulation and legislation in the United Kingdom

According to the Direct Selling Association:

> "Direct selling businesses and independent direct sellers are subject to the same financial and consumer protection legislation that govern any business selling consumer goods services."[25]

In the UK is no license required to operate a direct selling business. But there are three additional legislative requirements for direct sellers as stated by the Direct Selling Association UK:

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[20] Direct Selling Association UK, "DSA Member Companies", http://www.dsa.org.uk/becoming-a-dsa-member/dsa-members/ (accessed February 9, 2011)
[21] http://www.dsa.org.uk/about-the-dsa/ (accessed February 9, 2011)
[22] Bundesverband Direktvertrieb e.V., http://www.bundesverband-direktvertrieb.de/ (accessed January 5, 2011)
[23] FEDSA, http://www.fedsa.be/ (accessed January 5, 2011)
[24] WFDSA, http://www.wfdsa.org/ (accessed January 5, 2011)
[25] DSA, "Direct Selling Legislation", http://www.dsa.org.uk/about-the-dsa/legislation/ (accessed February 9, 2011)

VAT

Direct selling businesses in the UK, are subject to special rules in relation to VAT. These require that a direct selling business is required to collect at the retail selling prices of the goods sold, regardless of whether their independent direct sellers are personally registered for VAT. (...).

Multilevel Marketing

Many direct selling businesses are now organised on a MLM or network marketing basis, although they may use neither term in their promotional material. The distinction between MLM and a conventional direct selling structure is the nature of the earnings opportunity offered to new direct sellers. If a participant is offered an opportunity to both retail products and to receive additional rewards from the sales of others they may recruit into the business, then the business is likely to be MLM or Network Marketing and therefore subject to the Trading Schemes Regulations 1997. (...).

Order cancellation rights

All direct sales away from normal retail premises are subject to the consumer being given a cooling off period in which to cancel their order. The law requires that if the sales approach was unsolicited and if the order was in excess of £35 then the consumer must be provided with a notice setting out their right to cancel the order within 7 days. (...).[26]

[26] http://www.dsa.org.uk/about-the-dsa/legislation/ (accessed February 9, 2011)

2.2 SWOT Analysis

2.2.1 Outline of internal and external factors

A SWOT analysis contrasting Essential Care's strengths, weaknesses, opportunities and threats regarding the introduction of a direct selling channel will be presented in the following section. The key principles of a SWOT analysis are explained by (e.g.) Kotler and Armstrong:

"The marketer should conduct a SWOT analysis, by which it evaluates the company's overall strengths (S), weaknesses (W), opportunities (O), and threats (T) (...). Strengths include internal capabilities, resources and positive situational factors that may help the company to serve its customers and achieve its objectives. Weaknesses include internal limitations and negative situational factors that may interfere with the company's performance. Opportunities are favorable factors or trends in the external environment that the company may be able to exploit to its advantage. And threats are unfavorable external factors or trends that may present challenges to performance."[27]

The analysis was conducted at the beginning of the research process to give a first impression on the feasibility of this project . It was created based on company internal information sources as well as on the planning for the current business year.

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[27] Philip Kotler and Gary Armstrong, *Principles of Marketing*. (New Jersey: Pearson Education Inc.: 2010), 76

Strengths

- Established company recognised as a pioneer in ethical skincare
- Large existing range of award-winning, certified organic skincare
- Appealing products to test in a direct selling situation, particularly novelty products like the Coconut Candy Scrub
- Strong customer loyalty from customer base of approx. 2500 who order regularly
- Total database of 16,000 to whom the company could advertise the direct sales channel
- In-house brochures and online content that could easily be adapted for direct selling marketing activities
- Experience in online and offline marketing of organic skincare
- In the UK, there are 3 Brand Ambassadors currently employed, who could be the first consultants

Opportunities

- The direct selling skincare market is large with fewer competitors than on the high street
- Shelf-life of the products is much less important in a direct sales channel than in retail
- Direct selling is a good forum for organic skincare which often needs education and the opportunity to test products
- There is still a growing demand for organic skincare
- In the current economic climate, more people are looking for work
- Could reach consumers without internet access or living in areas with less access to the high street
- Essential Care's business connections could lead to effective business partnerships for the purpose of this project

Weaknesses

- No experience in the direct selling business
- No existing appropriate technology like e.g. a special party plan software for consultants
- Less budget and workforce available in comparison to big cosmetics concerns

Threats

- Competitors with successful, established direct selling channels are absorbing the pool of willing consultants
- Growth in consultant recruitment maybe slower than for competitors
- Competitors without a direct selling channel who could decide to enter the market, too
- The direct sales channel could cannibalise sales in other existing channels (mail order or retail)

Figure 5: SWOT analysis

2 MICRO-ENVIRONMENT

2.1 Research approach

2.1.1 Why is primary research in form of a survey needed?

To reveal the interest of Essential Care's customers in direct selling a survey needs to be made. Apart from the analysis of the UK direct selling market this survey permits another external analysis with a more specific focus on the company's own customers. It is essential for a company to listen to the market to respect and adopt the needs of its own customers. The survey is a possibility for Essential Care to gather information about its customers' needs and wishes. The findings of the survey will be used in addition to the market research results, SWOT analysis findings and other previous research to finally draw a conclusion about whether to introduce a direct selling channel or not. The need for a survey is made clear through a hypothesis stated by Brace who sees the questionnaire "as the medium of conversation between two people, albeit that they are remote from each other and never communicate directly."[28] In this case the two people are Essential Care and its customers; the questionnaire is a unique possibility to allow communication between those parties.

2.1.2 Research objectives

To set up the research objective for this survey once more a consideration of the main objective of this thesis is required - to evaluate if it is viable for Essential Care to introduce a direct selling channel in form of the party plan concept in the United Kingdom and also what kind of concept this should then be. The survey seeks to measure the extent to which Essential Care's mail order customers might be willing to accept a new sales channel in the form of a party plan concept. Further it should provide

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[28] Brace, Ian. *Questionnaire Design: how to plan, structure and write survey material for effective market research.* (London: Kogan Page Ltd, 2004), 4

information about the customers' general attitude towards direct selling, whether they would attend or host a party, if they were interested in working as a consultant and what kind of sikincare products they would buy at a party. The survey also aims to profile specific target groups for the presented purpose of addressing the appropriate people for attending a home party or consultant recruitment.

2.1.3 Concept of the survey

This study investigates the feasibility of implementing a new sales channel in the form of direct selling through various different research methods. The survey is one of these methods which plays an essential role. It directly addresses Essential Care's customers to evaluate their interests and opinions. Not only are they familiar with Essential Care's products and philosophy, they also know the brand's current sales channels and services. For this reason the results of this survey are expected to provide essential information about whether to launch a party plan concept or not.

The survey will be conducted in the form of a self-completion questionnaire. This questionnaire will only be accessible for Essential Care's mail order customers in the United Kingdom. They will receive an email newsletter which includes a link to the online questionnaire. The mail order database currently includes 7092 email addresses to which this newsletter will be send. As an incentive to get a high number of responses a £7.00 voucher will be offered. Upon receiving the newsletter at the beginning of December 2010, customers will have one month to fill in the questionnaire. They will only be able to claim this voucher when completing the questionnaire. The voucher plays a very important role as it aims to secure a high response rate. However there are various facts which could lead to a decrease of the response rate as presented in the following. One fact is that the survey will be conducted in December when the customers might be busier as usual because of Christmas time which could therefore lead to a decrease of the response rate. Another fact is stated by Brace who points out that nowadays there are a lot of surveys conducted in general:

> "Many potential respondents have been bored by a market research interview once before, or know someone who has been, and are not prepared to go through the same tedium again."[29]

Moreover, this could affect the current survey as well, as Essential Care conducted a previous survey seven months before the current one. The previous survey addressed also the people in Essential Care's mail order database and was conducted in the form of an online self-completion questionnaire, too.

2.1.4 Expected outcome

The previous research conducted by Essential Care gives a figure based on experience for the quantitative and qualitative results of the current survey. To evaluate expected quantitative results a previous survey conducted by Essential Care in April 2010 shall be considered. This survey aimed to point out customers' satisfaction, profiles and behaviour. For this purpose Essential Care sent postcards offering a £5 voucher in return for filling in an online questionnaire to 15,000 people on its customer database. A further 6,800 emails were sent as a reminder to those customers whose email addresses they had on file. As a result approximately 3% of the 15,000 recipients (473 people) responded to the survey. A further 215 people claimed the £5 voucher to order online.[30]

In comparison, the current questionnaire addresses only 7092 persons listed on the mail order database and is managed exclusively online. As a result, a similar number of responses are expected, despite the smaller number of persons on the database but because there is a higher voucher value offered with now £7 instead of £5.

It is worthwhile evaluating expected qualitative results in the context of a competitor benchmarking study previously conducted by Essential Care. The detailed investigation

[29] Brace, 173

[30] Essential Care survey, April 2010

of Essential Care's largest competitor in the United Kingdom – Neal's Yard Remedies – gave some indications on the results expected from the current survey. Neal's Yard Remedies was founded in 1981, produces organic skincare and follows a philosophy similar to Essential Care's focused on natural ingredients, eco-friendliness and sustainability. The company introduced a party plan concept in April 2009 which has since been extraordinarily successful. Within six months (October 2009) they already had 700 consultants and £750,000 in revenue.[31]

Through Neal's Yard Remedies very successful introduction of the party plan concept, it is expected that a high number of Essential Care's customers will welcome the opportunity of buying Essential Care products at home parties, too. Further a high number of people with interest in consultancy is expected. The survey aims to point out if these ideas are correct following the statement given by McGivern:

> "The aim of the research is to gather evidence that will allow you to 'test' these hypotheses, to give you information about whether your ideas are 'correct' or not."[32]

[31] Essential Care competitor benchmarking, October 2010
[32] McGivern, 66

2.2 Questionnaire design

The questionnaire design plays an important role in the success or failure of a survey. The questionnaire for this survey was created through a number of different working steps:

2.2.1 Discussion of data collection method

To conduct the current survey, the method of an online self-completion questionnaire was chosen. This method was selected because of its numerous advantages in contrast to other data collection methods, for example interviewer-administered questionnaires, telephone-administered questionnaires and paper self-completion questionnaires. First of all a self-completion questionnaire involves only relatively low costs in comparison to other methods. To conduct this survey, a web-service for market research called SurveyMonkey[33] was used. To set up and collect responses from the questionnaire including all features and functions a monthly subscription fee with the total costs of £72.00 was paid. For this price, the web-service allowed also a fast data collection through the possibility to download the results in Excel format which facilitated the analysis of the results enormously. A further advantage related to the choice of a self-completion questionnaire, is that the respondents can fill in the questionnaire in their own time, without any time pressure and they can also interrupt the process of filling in and come back to it later. The fact that it is self-completed could also reduce the effect of social desirability bias[34] and make it easier for the respondents to answer sensitive questions. This will also be supported through the fact that the survey will be anonymous, which the respondents are told at the beginning of the questionnaire. Besides this, most of the questions can be completed very quickly simply through

[33] SurveyMonkey, http://de.surveymonkey.com/home.aspx (accessed November 1, 2010)
[34] McGivern, 320

selecting the appropriate answer from a number of given options. Also an appealing questionnaire layout can help to get a higher number of respondents to complete the questionnaire. Another big advantage is the possibility of using the skipping function to allow respondents to skip questions which are not relevant for them and therefore prevent boredom to keep the questionnaire interesting. Besides the ability to skip questions, a further big advantage especially in contrast to paper based questionnaires is that online self-completion questionnaires do not allow the respondent to look ahead at further questions or even at the end to claim the incentive before filling in the questionnaire. Further, a possibility of rotating the questions and especially answer possibilities so that every respondent gets them in a different order could prevent further bias through the so called primacy-recency-effect.[35]

Besides these numerous advantages of using a self-completion online questionnaire for the purpose of this thesis, there is one crucial disadvantage concerning the representivity of the survey in relation with the research objective: to evaluate the interest of Essential Care's customers in direct selling. Through the fact that an online questionnaire is used, only persons who have internet access and whose email address is on Essential Care's database will be addressed. This implies that other Essential Care customer without having an email address or whose email address is not on Essential Care's database won't be incorporated. This is in fact a disadvantage. However Essential Care aims to target exclusively computer affine persons to become a consultant as they will be required to use a special software for placing orders and therefore need to have internet access for this job. This fact could be in favour of the survey's representivity in relation to the company's main objective. This is similarly confirmed by Smith, who states that online surveys are:

[35] Brace, 36-42

> “a robust way of collecting data, providing the focus of the research is on individuals who are on the Internet (rather than using Internet users to be ‘representative of the entire population).”[36]

Therefore the questionnaire would be well suited to address the appropriate target group to evaluate their interest in consultancy. Concerning the interest in the other themes, attending and hosting a party, it is not possible to interrogate Essential Care’s entire customer database or even Essential Care’s entire target group in the United Kingdom. This would require much higher costs and would go beyond the scope of this thesis. Besides this, using a paper questionnaire would be connected with other fundamental disadvantages such as that the respondents could claim the incentive without filling in the questionnaire which could also lead to a decrease of the response rate.

To sum up, there are is a number of significant advantages which justify the conduct of the survey through an online self-completion questionnaire in the end, however its limitations must be held in consideration.

2.2.2 Sample method and limitations

As discussed in the previous chapter about the data collection method, the sampling for this survey also deals with the issue of choosing online customers ahead from offline customers. Only Essential Care’s mailorder customers with their email address on file were interrogated, resulting in 7092 customers issued for this survey. Not included in the sample were customers without a valid email address and where Essential Care only had the postal address on file. As a result the method of quota sampling (non-probability sampling) was chosen which is explained by Smith:

[36] D.V.L Smith and J.H. Fletcher, *The Art and Science of Interpreting Market Research Evidence*. (Chichester: John Willey & Sons Ltd, 2004), 71

> "Quota sampling involves a researcher first obtaining up-to-date information about the population under investigation. 'Quotas' to reflect the characteristics of this target universe are then set. These quotas determine the type of individuals that interviewers will be asked to interview."[37]

In the current case of this survey the following quotas which also represent the target population were defined as follows: Essential Care female customers, living in the United Kingdom, interested in organic skincare.

"The way in which the population is defined depends on the issue the research aims to address."[38] As requested by McGivern, the definition of the current target population will be explained. As the party plan concept first of all will be introduced in the United Kingdom, only persons living in the UK will be interrogated. Also, as Essential Care is selling skincare products and cosmetics the main focus will be entirely on women to evaluate their interest in the party plan concept. Further, the fact that the company focuses on organic skincare will play an important role in the development and marketing of the party plan concept and justify interrogating persons with interest in organic skincare exclusively. As the research goal is to evaluate the interest of Essential Care's customers and not the interest of the entire population, this leads to a more precise definition of the target group. The decision to use a non-probability sampling technique is also justified through Mc Givern's guidance when to use which sampling technique. Within this it is explained that non-probability sampling is suitable for exploratory research to provide guidance for development of products and services whereas probability sampling focuses on providing accurate data e.g. of sales, market share or usage.[39]As discussed in the previous chapter, the fact that only Essential Care's mailorder customers will be interrogated points out the limitations of this survey, and the fact that it won't represent the attitudes and behaviour of all of the company's customers in the UK.

[37] Smith, 134
[38] McGivern, 258
[39] McGivern, 267

2.2.3 Definition of principal information that is required from the survey

In the following, required work steps will be chosen according to Brace

> "It is one of the skills of the researcher to turn the objectives of the study into a set of information requirements, and from there to create questions to provide that information and then to turn those into a questionnaire."[40]

Consequently the research goal for the survey can be divided into four main question fields, to evaluate the respondents' interest in:

1. Attending a home party
2. Hosting a home party
3. Becoming a consultant
4. Preference of party plan concept

Besides these four question fields, demographic questions will be asked at the end of the questionnaire. This will make it possible to analyse the results of the questions in combination with the respondents' demographic information such as age or occupation.
As a next step, questions should be formulated according to the different question areas. Also, a simpler question not related to direct selling and with the function to introduce the questionnaire should be created.

2.2.4 Questionnaire structure and question flow

After having formulated single questions, these could be summed up within the different question areas so that the respondent could follow the structure of the questionnaire. At the beginning of the questionnaire more general questions will be asked before proceeding to specific questions related to direct selling. This makes it

[40] Brace, 12

easier for respondents to start and also avoids biased answers because they don't know the purpose of the questionnaire yet, which is also argued by Brace:

> "... if the questions regarding the specific product or brand of interest were asked first, then the respondents would be aware of the question writer's interest and this would bias their answers to the more general market questions that come later."[41]

Besides this, questions related to the respondents' behaviour should be asked before questions related to their attitudes, also to avoid possible effects which are further explained by Brace:

> "If attitudes are asked first there is a danger that respondents will take a position that is not thought through and that is contradicted by their behaviour. They may well then misreport their behaviour in order to justify their attitudes."[42]

The questions related to demographic data build another question area and are summed up at the end of the questionnaire. This is also suggested by Brace: "Partly because they can be seen as intrusive, classification questions are normally asked at the end of the interview."[43]

Finally, the creation of a flow chart gives an overview about all areas covered and their order in the questionnaire. Further, it illustrates the function of each question, including the skipping function. The skipping function is a particularly important element as it allows the respondent to answer only the questions that are relevant for him/her. Other than that, respondents might find it annoying to answer a number of questions in a specific field when they already stated that they are not interest in this field. The flow chart illustrating the question flow and order of the current questionnaire is listed below:

[41] Brace, 49
[42] Brace, 51
[43] Brace, 53

Questionnaire flow chart:

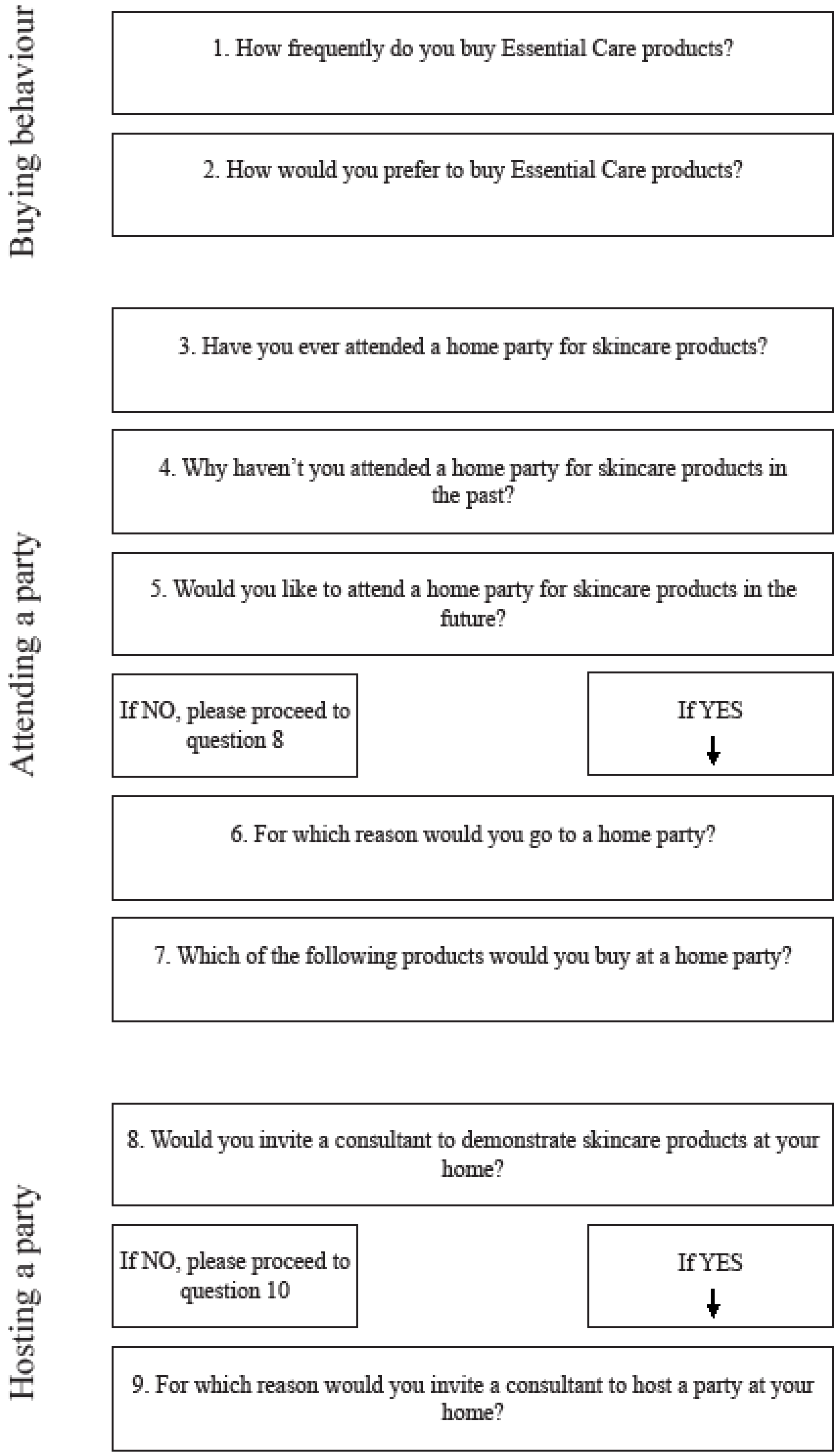

Figure 6: Questionnaire flow chart part 1

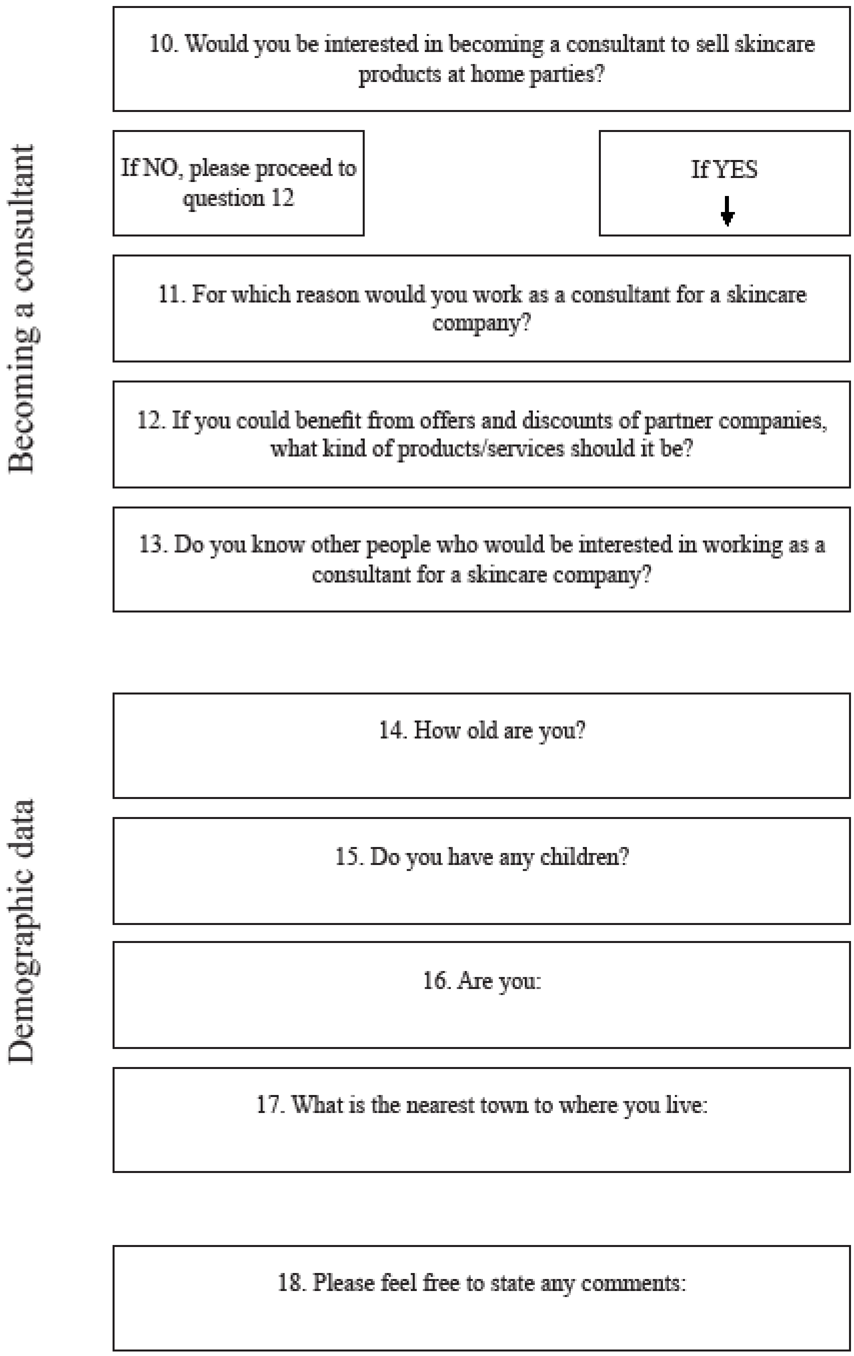

Figure 7: Questionnaire flow chart part 2

2.2.5 Question types and rating scales

The majority of the questions for this survey (9 out of 17 questions) were multiple choice questions with one answer possibility displayed as buttons. Further types of questions used were matrix questions where respondents could rate issues/items on a scale according to their preference (5 out of 17 questions) and multiple choice questions with multiple answer possibilities (2 out of 17 questions). All questions were closed questions where the respondent could chose from a number of predefined answers, except the last question which was an open question where respondents could write an answer in their own words. The usage of closed questions facilitates the analysis process and according to Brace "is usually easy to administer and cheap to process."[44] But there are also disadvantages of using closed questions which McGivern points out:

> "In addition, using a closed question means that we lose some sensitivity in measurement – what the respondent actually said is not recorded and there is no way of analysing the 'real' response."[45]

Therefore to make it possible to collect these 'real' responses 6 of the questions had a comment field where the respondents could explain their opinion if wanted. This also enabled the survey writer to get to know new, unknown facts and ideas which were not included in the answer possibilities and therefore not yet reflected in the research process.

There were 5 Matrix of Choices questions where the respondents had to rate the items based on the Likert scale which consists of five points: strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, strongly disagree.[46] In the case of this survey the mid-point of the Likert scale was not offered as an answer possibility. As stated by Brace, the decision whether to include a mid-point or not can be made individually:

[44] Brace, 56
[45] McGivern, 328
[46] McGivern, 333

“However, the questionnaire writer must decide whether or not including a mid-point is appropriate for the particular question and subject matter.”[47] In the case of this survey the questionnaire writer decided not to offer the mid-point as answer possibility to avoid a large number of undecided answers.

2.2.6 Newsletter and introduction to the survey

In the case of this survey, two introductions to the questionnaire were made. The first was in the newsletter which contained the link to the online questionnaire to wake the respondents’ interest to click on the questionnaire link. And the second was displayed prominently at the top of the first page of the questionnaire. According to McGivern:

> “A good introduction is crucial to getting and maintaining the respondent’s participation. It sets the tone of the interview. It should set out clearly the nature of the research, the topic or topics under investigation and the time needed to complete it.”[48]

The text in the newsletter was aimed at introducing the questionnaire and making the customers curious about it. It showed understanding for their current situation before Christmas. At the same time it tried to make the survey appealing by mentioning the incentive in form of the voucher which customers could claim by filling in the questionnaire. The introduction on the first page of the questionnaire further illustrated the terms & conditions providing assurance to the customers that Essential Care won’t share or publish their details and answers. Additionally terms which are important for the understanding of the questions were explained. Both the newsletter text and the introduction are displayed in the following.

[47] Brace, 85
[48] McGivern, 303

Newsletter text:

Dear Essential Care friends,

Just a few weeks left before celebrating Christmas. If you haven't had chance yet to buy all your Christmas gifts, stay out of the snow and have a look at our wonderful online special offers, like 25% off our exquisite Coconut Candy Scrub and 20% off our Rose and Citrus Gift Sets. Another Christmas special is our Advent Calendar on facebook where every day you can win different goodies from our organic skincare range until 24th December!

£7 Essential Care voucher for everyone who fills in our questionnaire

Essential Care is exploring new ways to bring our gorgeous products to you and your home. We don't want to reveal too much, so if you like to find out more please see our questionnaire. By filling it in, you can claim a **£7 voucher to spend at www.essential-care.co.uk during January 2011** *(no minimum spend). Please fill in the questionnaire by 31st December 2010. We know you are short of time before Christmas, but the questionnaire will only take 5 minutes to answer. Your answers are entirely anonymous.*
Just click on the link below and you will be automatically redirected to the online questionnaire:
http://www.surveymonkey.com/s/3CQGR55
You will find the the £7 voucher code on the last page of the survey. Make sure you write the code down before you press 'Done'!

Thank you so much and merry Christmas!

With all our best wishes,
The Essential Care team

Figure 8: Text of the newsletter that contained a link to the online questionnaire

Introduction to the questionnaire:

Your opinion counts! *By answering the questions you can help Essential Care consider new ways to make our products available. This is an anonymous and confidential survey; we won't share or publish your answers and will only use them for internal market research. Please answer the following brief questions by ticking the most appropriate answer for you.* *You will find the the £7 voucher code on the last page of the survey.* *Make sure you write the code down before you press 'Done'!* *Explanation of terms:* *- Home party: A consultant is invited to someone's home to demonstrate products to the host and his/her guests* *- Consultant: A person selling products directly to consumers (e.g. through home parties) in exchange for a fee or commission*

Figure 9: Introduction to the online questionnaire

2.2.7 Pretest

Before the survey was conducted the link to the questionnaire was send to about 10 people, some of them not being familiar with the research objective or direct selling, to pilot the study. The purpose of this was to test the qualitative and quantitative settings and functions of the survey. Also stated by McGivern: "A pilot study is invaluable in determining whether or not you are asking the right questions in the right way."[49]

A highly sought outcome of the qualitative test was to check if the questions were understandable and contained the most effective answer possibilities. Besides this, the

[49] McGivern, 353

pretest was also conducted to check if there is any redundancy and if all key words are explained. In a quantitative way, the skipping function was checked to find out if it is working well on every pc and every internet browser. It was also checked if the questionnaire link embedded in the newsletter is working and if all respondents are directed to the right pages and the collection of the answers worked as well.

A full-scale pilot study to test the questionnaire on a large number of people was not conducted. Mainly because the only possibility to make the questionnaire accessible to a high number of people would have been sending it out to the mailorder database. By doing this, the customers from the mailorder database already would have known the purpose of the questionnaire which could have resulted in biased answers and therefore a false research result. That is why the pretest conducted with a small number of persons who then didn't receive the actual questionnaire later was also sufficient because it resulted in significant improvements of the questionnaire for the final survey.

The pretest revealed that the main problem was the skipping function which directed respondents to wrong questions. After solving this problem and making some other slight adjustments the newsletter with the link to the questionnaire was finally send out on 2nd December 2010.

2.3 Survey results

2.3.1 Quantitative survey results

After sending out the newsletter on 2nd December, 200 people had filled in the questionnaire already by the end of the day. The newsletter which was send by email and contained a link to the questionnaire was send to 7092 people on Essential Care's mailorder database. From these, 552 actually filled in the questionnaire resulting in a response rate of 8%. Further the voucher with a value of £7 which was offered as incentive to fill in the questionnaire was claimed by 84 persons who placed an order in January and therefore led to an increase of Essential Care's revenue in this month.
This result shows that the quantitative outcome of the survey was better than expected and also a higher number of responses was achieved in contrast to the previous survey where 473 people filled in the questionnaire.

2.3.2 Qualitative survey results analysis

This chapter provides a detailed analysis of the survey by explaining the results question by question. Therefore the result of each question will be shown in a graph including a short explanation of the results. Further the key questions for the research objective will be highlighted and their results will be explained in a more detailed way. The key questions listed according to the different question fields are:

Attending a home party:
Question 2: How would you prefer to buy Essential Care products?
Question 3: Have you ever attended a home party for skincare products?
Question 4: Why haven't you attended a home party for skincare products in the past?
Question 5: Would you like to attend a home party for skincare products in the future?

Hosting a home party:

Question 8: Would you invite a consultant to demonstrate skincare products at your home?

Becoming a consultant:

Question 10: Would you be interested in becoming a consultant to sell skincare products at home parties?

The additional questions asked in the survey investigated which characteristics are the most important ones for an appealing party plan concept. The results will have an influence on the kind of party concept Essential Care will possibly develop and the facts promoted through a marketing plan. These results of the single questions will be explained in the following.

Question 1

The first question in the survey investigated the respondents' buying behaviour regarding Essential Care products. It was a multiple choice question with one answer possibility. All 552 respondents answered this question.

Figure 10: Question 1

The purpose of this question was on the one hand to allow a simple start of the questionnaire for the respondents. On the other hand the investigation of the buying behaviour gives an idea of how often Essential Care home parties possibly could be offered through the respondents' evaluated buying frequency. This might also indicate how often customers would want to attend a home party during a year. As a result, 210 persons and consequently the majority of the respondents claim to purchase Essential Care products only once per year. Stated by 159 respondents the second most chosen frequency is every 3 months, followed by every 6 months which 147 respondents chose. Only 36 people said they would buy Essential Care products every month.

Question 2 – Key question: Attending a party

The second question evaluated customers' buying preference. This was a matrix of choices question with one possible answer per row. All 552 respondents answered this question.

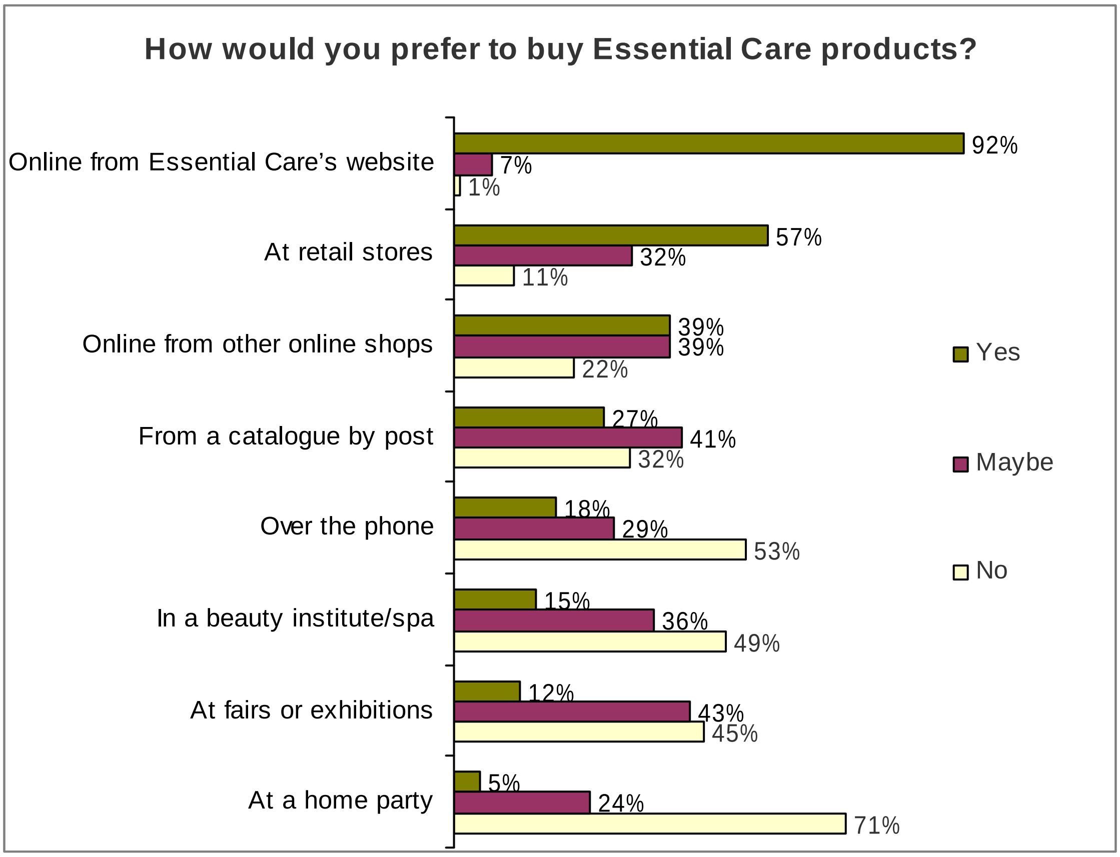

Figure 11: Question 2 – Key question: Attending a party

The result of this questions shows that the already existing online sales channel is clearly the favourite among the respondents as preferred by 510 persons. Whereas only 25 people said they would prefer to buy Essential Care products at a home party. Even more, 392 people said they would not prefer to buy Essential Care products at a home party which illustrates the home parties as being the least attractive way for respondents to buy Essential Care products. Further the aspect should be considered that this question is asked right at the beginning before the respondents could know that the questionnaire is about home parties and therefore its results could be the most unbiased ones in comparison to the following questions where the purpose of the questionnaire is revealed. Further it shows that the respondents would prefer to buy Essential Care products through a number of other sales methods, especially at retail stores which 314 persons stated.

Although this result is clearly negative in relation to the introduction of a direct sales channel nevertheless it is useful to have a closer look at the 25 respondents who would be interested in buying Essential Care products at a home party. About half of these 25 respondents work part-time and the majority are aged between 31-40. Further 40% have already attended a home party for skincare products and 76% would prefer to buy face and body care for problem skin at a home party. This result gives already a small hint at which target group Essential Care could address when introducing the home parties.

Question 3 – Key question: Attending a party

The third question illustrates how many respondents are already familiar with the party plan concept. This was again a multiple choice question with one answer possibility which was answered by all 552 respondents.

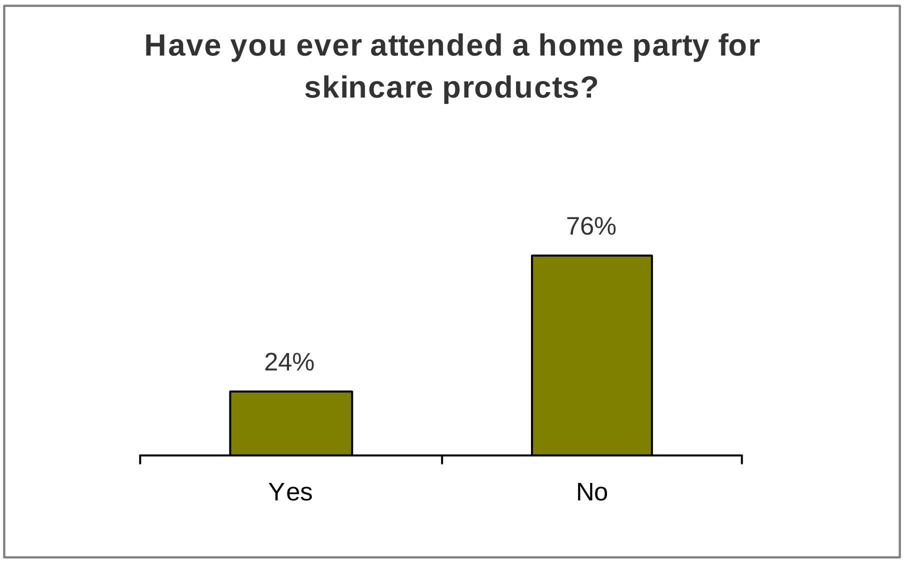

Figure 12: Question 3 – Key question: Attending a party

As a result barely one quarter (134 persons) of the respondents have already attended a home party for skincare products and more than three quarters (418 persons) haven't so far. This outcome shows clearly that the majority of the respondents are not familiar with the party plan concept yet which hints at a possible market potential for home parties within the United Kingdom.

Within this question the respondents who said they had already attended a home party for skincare products were asked to name the brand/company of the party they did attend in the past. As a result 127 persons replied to this question and the findings are presented in the following graph:

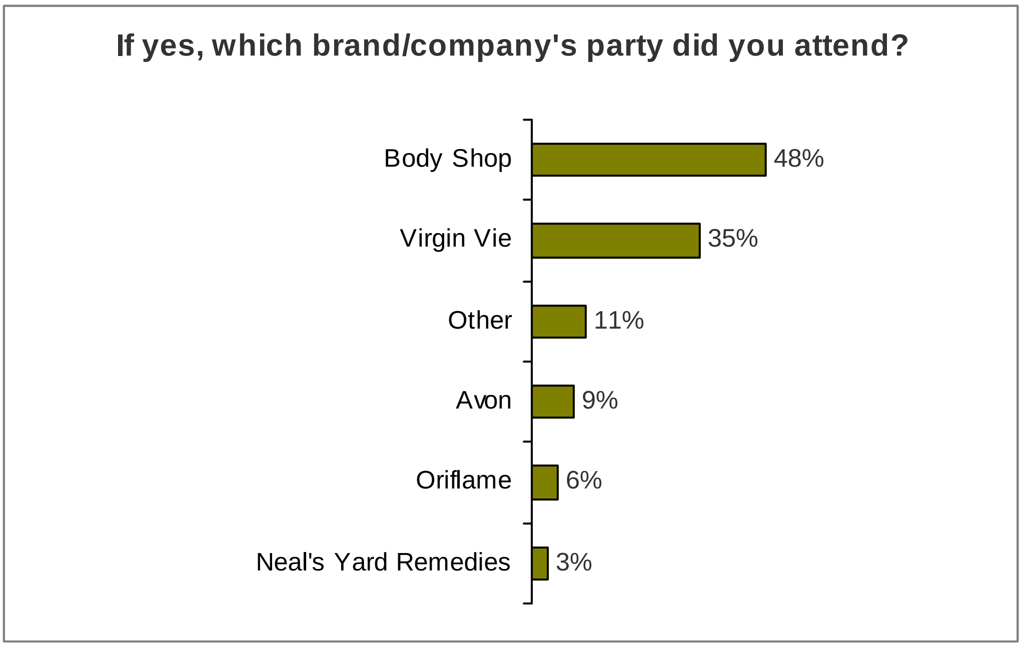

Figure 13: Question 3 – Key question: Attending a party

The result of this question is very enlightening as it illustrates the biggest competitors in the direct selling business in the United Kingdom according to the respondents. The company Neal’s Yard Remedies who introduced their direct selling channel in 2009 was named last with only 3% but is the only brand competing directly with Essential Care within the organic skincare market in contrast to the other brands listed above. The fact that the main market leaders in the cosmetics sector of direct selling do not offer organic cosmetics was also proven by a recent competitor benchmarking conducted by Essential Care. However this fact could imply a promising opportunity for Essential Care due to less competition. But as mentioned earlier within the SWOT analysis it is likely that Essential Care’s competitors will recognise this market potential too and therefore will decide to introduce a direct selling channel as well.

Question 4 – Key question: Attending a party

The 417 people who said in question 3 that they had not attended a home party so far were directed to question 4 which offered one answer possibility within a multiple choice question. People who said they had already attended a home party in the past skipped this question.

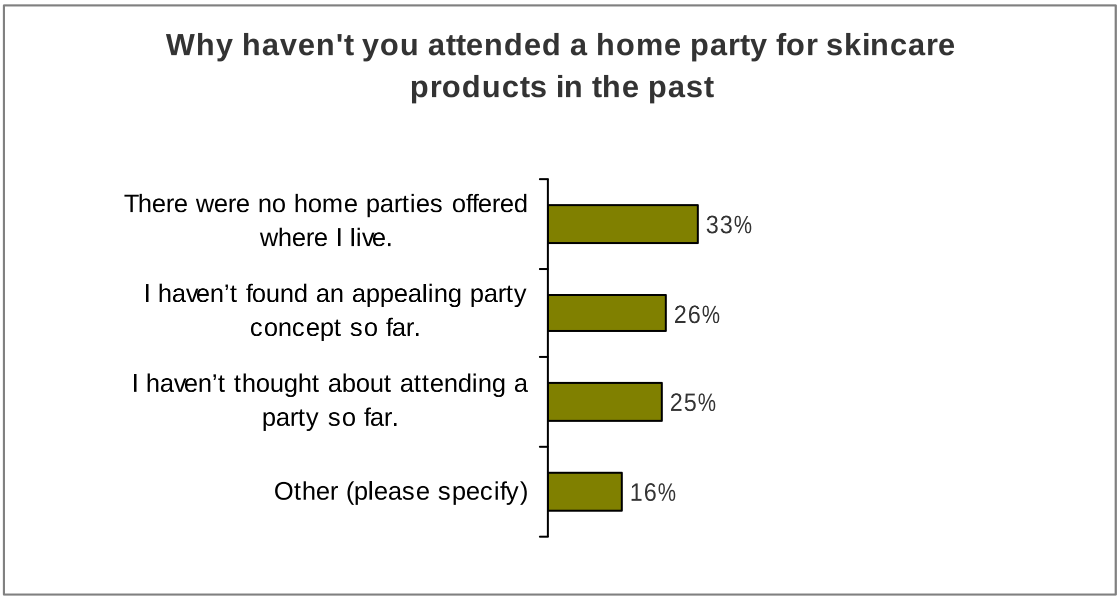

Figure 14: Question 4 – Key question: Attending a party

The purpose of question 4 was to evaluate the reasons why the respondents haven't attended a home party yet. The main reason was that there were no parties offered where one third of these 417 people live. This could either imply a lack of marketing for home parties in some areas or point out that there are still areas not covered by competitors yet. As a consequence and for a possible introduction of the party plan concept, it would be helpful to further examine where these 138 people live. Furthermore, the result of this question illustrates that one quarter of the 417 respondents haven't attended a home party because they haven't found an appealing concept so far. Instead of choosing one of the three specific answers, respondents also had the possibility to write their personal answer in the 'Other' section. At 8%, the most frequently chosen answer was a dislike of home parties. Besides this, further answers were related to feeling a pressure to buy and not enough time. Also preferences of other sales methods in contrast to home parties were stated.

In summary it can be stated that this question shows clearly that there could be some areas where no home parties have been offered so far which indicates a market potential. But it also suggests that if Essential Care is going to introduce this sales channel, it has to be different and more appealing in contrast to the ones that are already offered. This involves especially a strict avoidance of a party concept which evokes pressure to buy.

Question 5 - Key question: Attending a party

Question 5 asked for the respondents' interest in attending a home party for skincare products (it didn't directly ask if they would attend an Essential Care home party). 551 persons answered and one person skipped this question which was again a multiple choice question offering one answer possibility.

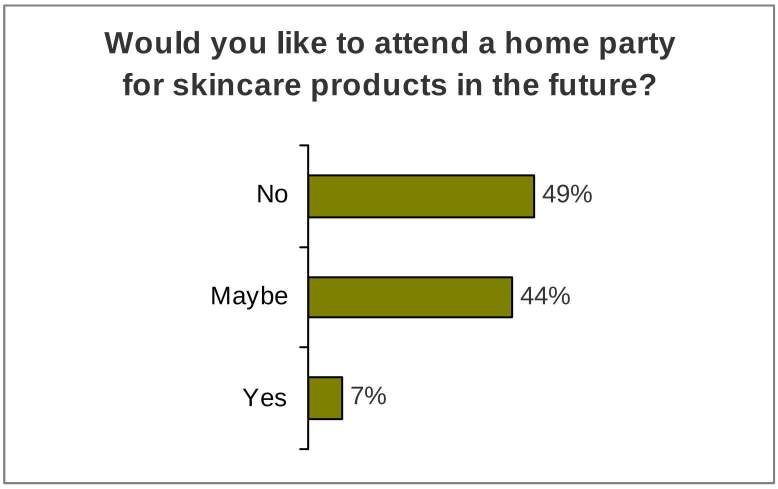

Figure 15: Question 5 – Key question: Attending a party

The results of this question illustrate that almost half of the respondents would not attend a home party in future. Yet it also revealed that another 243 persons are not sure about whether to attend a home party in future or not. These 243 persons could also be seen as potential party guests to attend an Essential Care home party in future. However it is clearly only a minority of 7% which actually represents 40 people who stated interest in attending a home party in future.

It is advisable to look more closely at the 40 respondents who said ‘Yes’ to attending a home party because these could be the right target group for Essential Care. In doing so, one sees that 18 out of 40 people have already attended a home party and 14 people stated they haven’t been to a party yet because there were no home parties offered where they live. The best reason to attend a home party according to these respondents is to buy discounted products and receive special offers which 33 people stated. Furthermore, the majority are aged between 31-40 and over one third have children between 0-5 and work full-time.

In comparison looking at the 243 persons who said ‘Maybe’ revealed that 30% already attended a party and 52% didn’t because there were no home parties offered where they live. 31% are aged both between 31-40 and 41-50. The majority of 40% is in full-time employment and further 40% don’t have children.

Besides this, question 5 also investigated the reasons for a negative reply. Therefore all 268 respondents who said they would not want to attend a home party for skincare products in future could state a comment to explain their answer. 177 people used this possibility which resulted in the following:

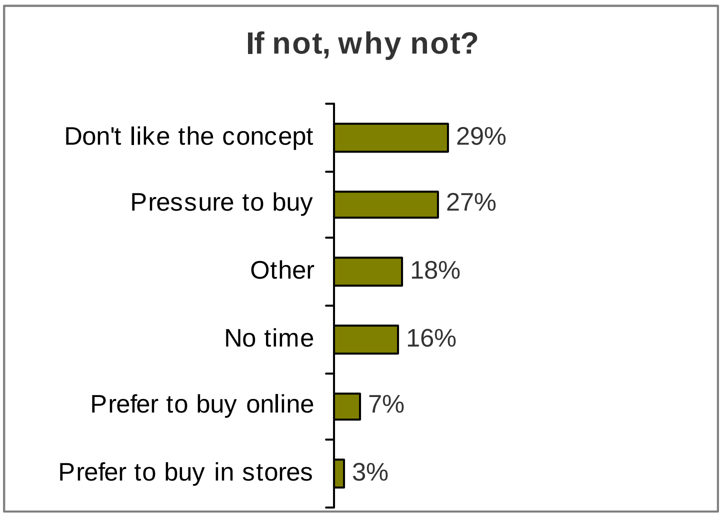

Figure 16: Question 5 – Key question: Attending a party

The majority of 52 people said they dislike the concept and more specifically another 48 persons said they would feel pressured to buy. Besides this further 29 persons said they have no time to attend a party. Other respondents stated very similar reasons as in question 4, e.g. they were not aware or had not heard about home parties, are not a party person, prefer other sales methods or simply are not interested.

As mentioned within question 4, this result again emphasises the importance of avoiding pressure to buy within home parties and when introducing this sales channel.

Question 6

This question aimed to find the most popular incentives to attract people to attend a home party. Respondents who said ’Yes’ or ’Maybe’ to question 5 (if they would like to attend a party in future) were directed to question 6. Respondents who had said ‘No’ skipped this question. Therefore 280 people answered question 6. This question was a matrix of choices where respondents could choose one answer per row.

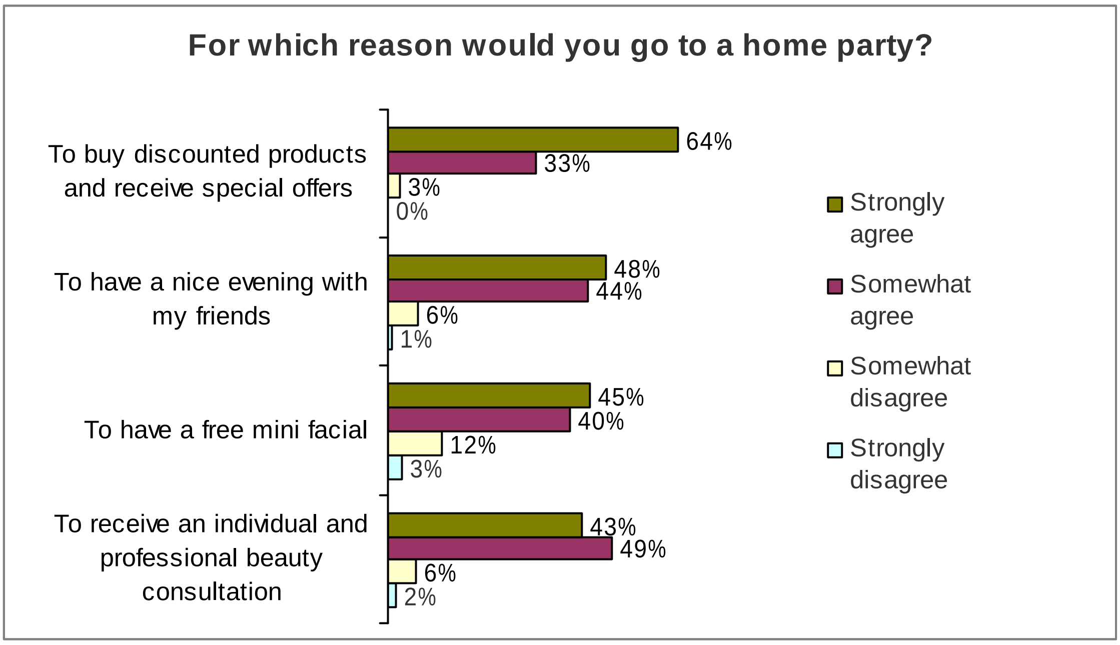

Figure 17: Question 6

According to 64% of respondents (180 people) the most appealing incentive to attend a home party would be to benefit from discounts and special offers. This result implies that there should be special discounts offered to attract people to attend an Essential Care home party. Respondents also had the possibility to name alternative answers in the ‘Other’ section. 8 persons used the possibility to state alternative reasons and the most common one was to have a chance to see and try products before buying.

The results of this question imply which aspects of a home party could be promoted and show clearly that discounted products and special offers could be an appealing incentive to attend a home party.

Question 7

This question tried to reveal the most suitable skincare products for home parties. Again, only persons who said ‘Yes’ and ‘Maybe’ to attending a party were directed to this question. In total 280 persons answered this matrix question with one possible answer per row.

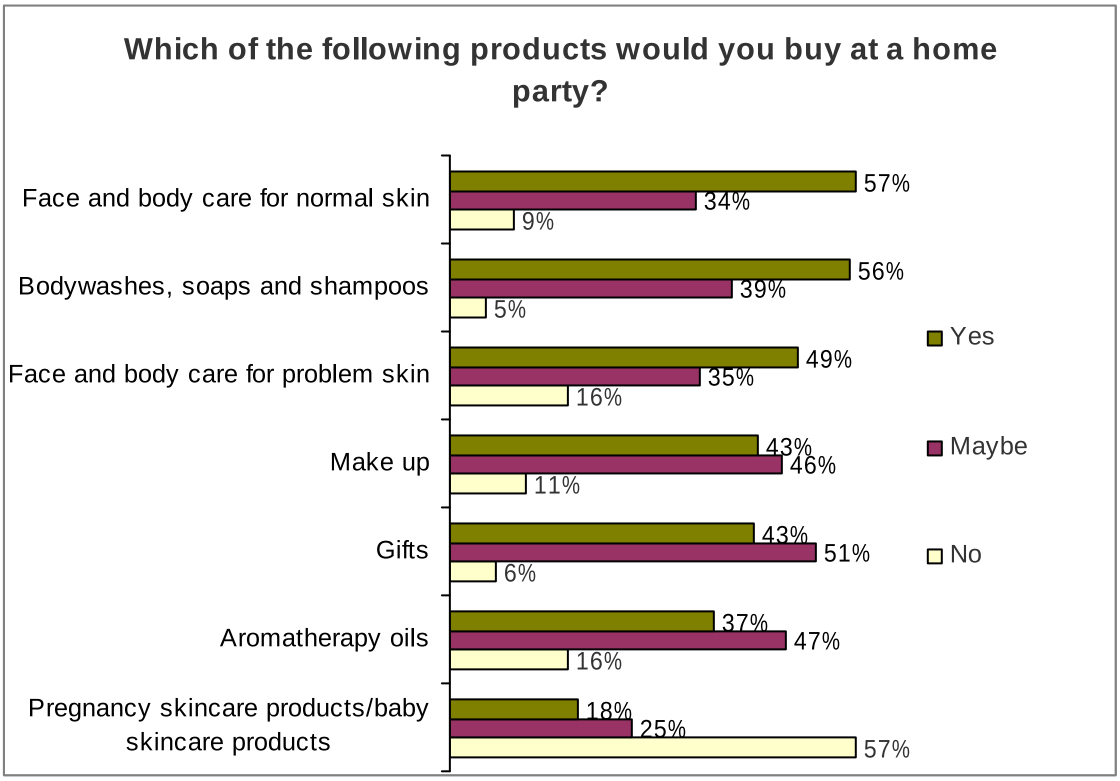

Figure 18: Question 7

It would seem from these answers that face and body care products for normal skin which 159 people preferred are the most suitable products to offer at home parties. But as Essential Care also targets people with problem skin and almost 1 in 2 of its customers has allergy-prone skin [50], it is not surprising that almost half of the respondents would prefer to also buy face and body care for problem skin at home parties. The result of this question also indicates what kind of products a starter kit for consultants could possibly contain because these products should be suited for demonstrations and also most popular to buy among the party guests.

Question 8 - Key question: Hosting a party

This question aimed to evaluate the respondents' interest in hosting a home party and was a multiple choice question with one answer possibility. 484 persons answered and 4 persons skipped this question.

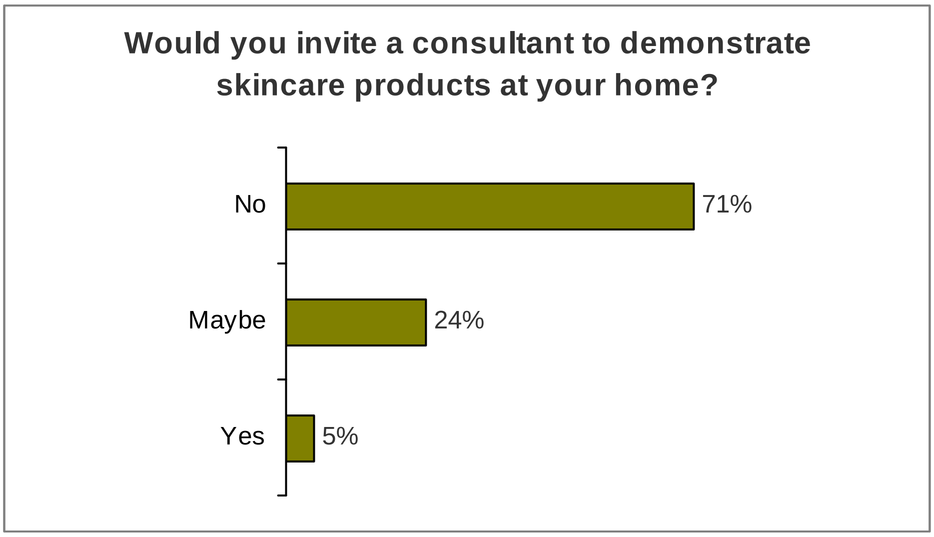

Figure 19: Question 8 - Key question: Hosting a party

[50] Essential Care customer survey, April 2010

The results show that the majority of 388 persons disliked the idea of inviting a consultant to host a party at their own home. 133 people said that they would maybe invite a consultant and a minority of 27 people said they would.

The fact that 71% of answers were negative indicates that there is a stronger dislike of inviting a consultant into one’s home compared to attending a party where only 49% of the respondents disliked the idea (question 5). The result show further that there should be a more appealing or bigger incentive offered to make a party hosting more appealing. A possible consequence is that the whole communication of the concept requires more transparency including a detailed explanation of the terms & conditions to show potential hosts that they won’t be pressured to buy when booking an Essential Care party and that there are no hidden costs or requirements involved.

Question 9

Only respondents who answered ‘Yes’ and ‘Maybe’ in question 8 to inviting a consultant were directed to question 9. So in total 160 people answered this matrix of choices question with one possible answer per row.

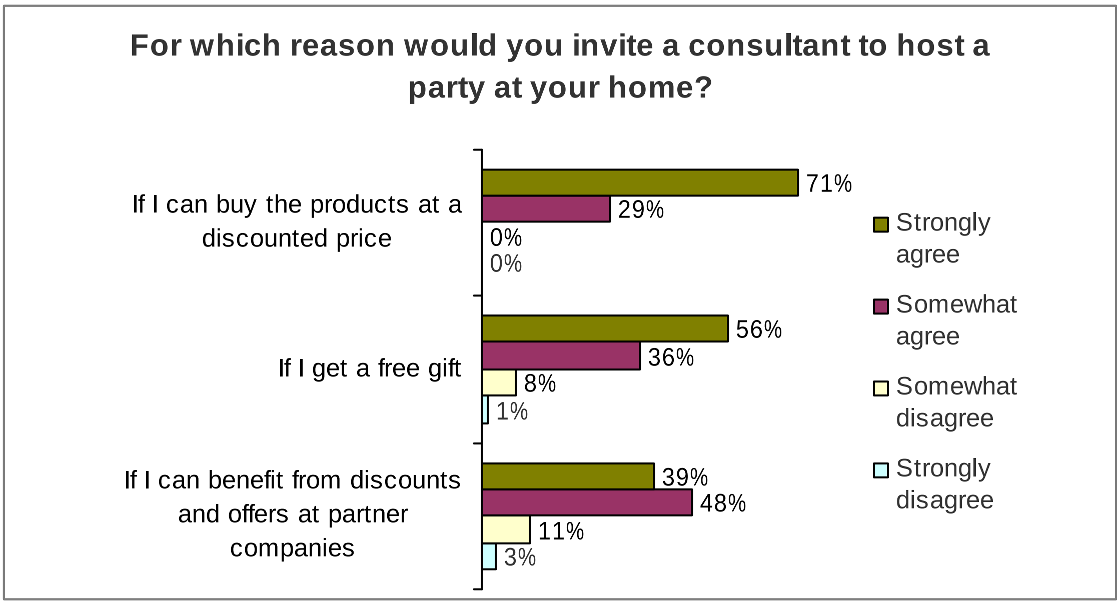

Figure 20: Question 9

The results show that clearly the most appealing reason for inviting a consultant is also the possibility to buy discounted products. This is a similar outcome to question 6 where the most popular reason to attend a home party was also to buy discounted products (stated by 64% of the respondents). However in comparison to attending a party, with 71% this indicates a higher demand for discounted products in relation to party hosting than to attending a party.

Question 10 - Key question: Becoming a consultant

This was one of the key questions to investigate the main research goal of the survey. It asked directly for the respondents' interest in becoming a consultant to give an idea about how many consultants Essential Care could possibly recruit from their existing customer base. The multiple choice question offered one possible answer and was completed by 548 and skipped by 4 people.

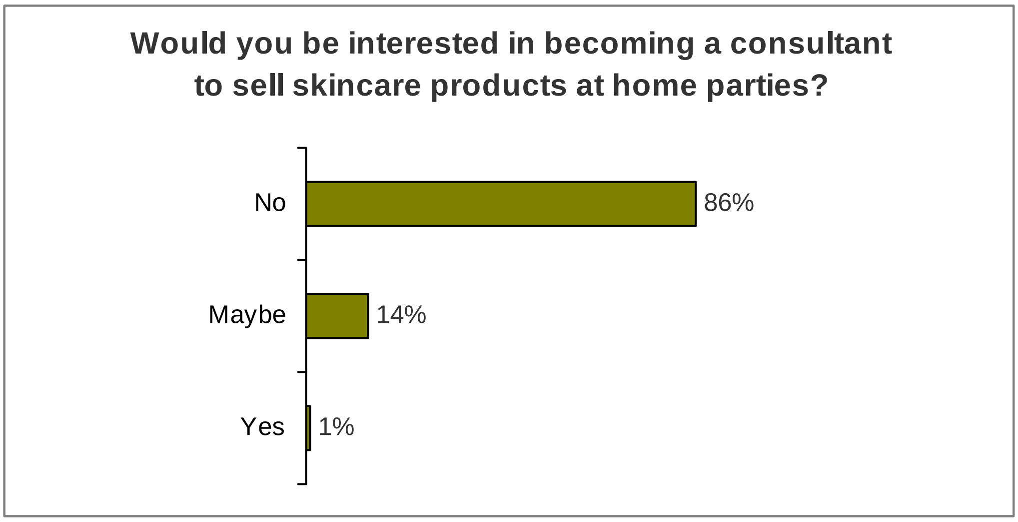

Figure 21: Question 10 - Key question: Becoming a consultant

Clearly the majority of 86% which represents 469 people would not like to work as a consultant. 75 people are 'Maybe' interested in working as a consultant and just 4 people said they would like to do it. Having a closer look at the persons who said 'No' shows that the majority of 42% persons don't have children and further 40% are in full-time employment. Only 22% have already attended a home party which shows that the majority is not familiar with the concept yet which could lead to a higher scepticism about the party plan concept in general.

However, seeing this result from a different perspective could imply that the 75 persons who responded 'maybe' could be 75 potential recruits. Which is a high number compared to the findings resulting from an internal business model which revealed that Essential Care could break even on the costs when recruiting 150 consultants by 9 months after the launch of the new sales channel.[51] The majority of these persons are aged between 31-40 and working in full-time employment. 40% of these persons have already attended a home party and 38% have children aged between 0-5. Further to find out which persons could be addressed, the characteristics of the persons who said ‘Yes’ will be explored in the following. To sum up, three out of the four people who are interested in consultancy are aged between 31-40 and two of them have already attended a home party for skincare products. Two people are in part-time employment, one is not working because of children and another person is not working because of another reason. Also two persons would like to attend a home party in future. There is no relation to the question about having children present as each of the four persons marked a different answer so that in the end every option got 25%.

In concluding, at the current stage of knowledge it seems to be useful to address especially persons aged between 31-40 who are in part-time employment or a similar occupation when introducing the party plan concept.

[51] Essential Care Strategy Paper, January 2011

Question 11

Only people who answered ‘Yes’ or ‘Maybe’ to question 10 were directed to question 11 which was a matrix question with one possible answer per row. As a result 78 people answered this question.

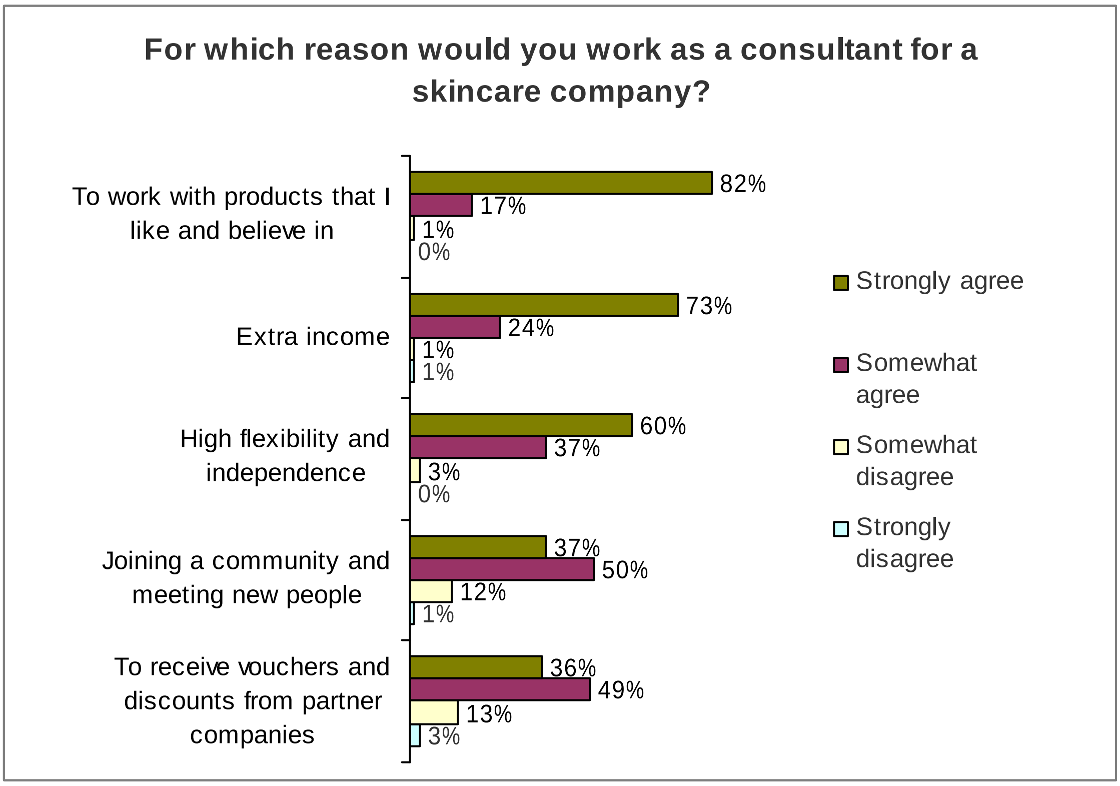

Figure 22: Question 11

64 people chose “working with products that they like and believe in” as most important reason to work as a consultant. It was even more important to the respondents than the possibility of earning extra income which 57 people specified. Buying discounted products, although from partner companies, was less important here than when attending or hosting a party. According to the result of this question it is advisable to especially promote the fact of working with products to believe in when introducing the

direct selling channel. Nevertheless, the result of this question could be affected by response bias such as social desirability as the answer choice: “To work with products that I like and believe in” relates to a topic which could fit in fulfilling moral and social responsibilities and therefore is according to Brace likely to be over-reported. [52] Although the fact that the respondents filled in an anonymous self-completion questionnaire which minimises the social desirability effect, the possibility of its occurrence should be considered especially when drawing a conclusion. [53]

Question 12

This question deals with the kind of party plan concept Essential Care plans to offer. It was a multiple choice question with multiple answer possibilities which was answered by 536 people. The results of this question are displayed on the following page.

As the competitor benchmarking revealed there are a number of successful partnerships between party plan companies and other companies offering special discounts for the customers and consultants, this question investigates the respondents’ potential interest in offers from partner companies. Therefore potential partner companies - all related to an ethical and organic philosophy - were listed within a multiple choice question that allowed the respondents to mark multiple answers. The answer possibilities were randomised to prevent possible primacy-recency-effects resulting from the order. As shown by the results, there is a number of products which could be suitable for a potential business partnership such as organic chocolate. However further research will be required to evaluate if a partnership could be viable for Essential Care.

[52] Brace, 182 Sudman and Bradburn (1982: 32–33)
[53] Brace, 185-186

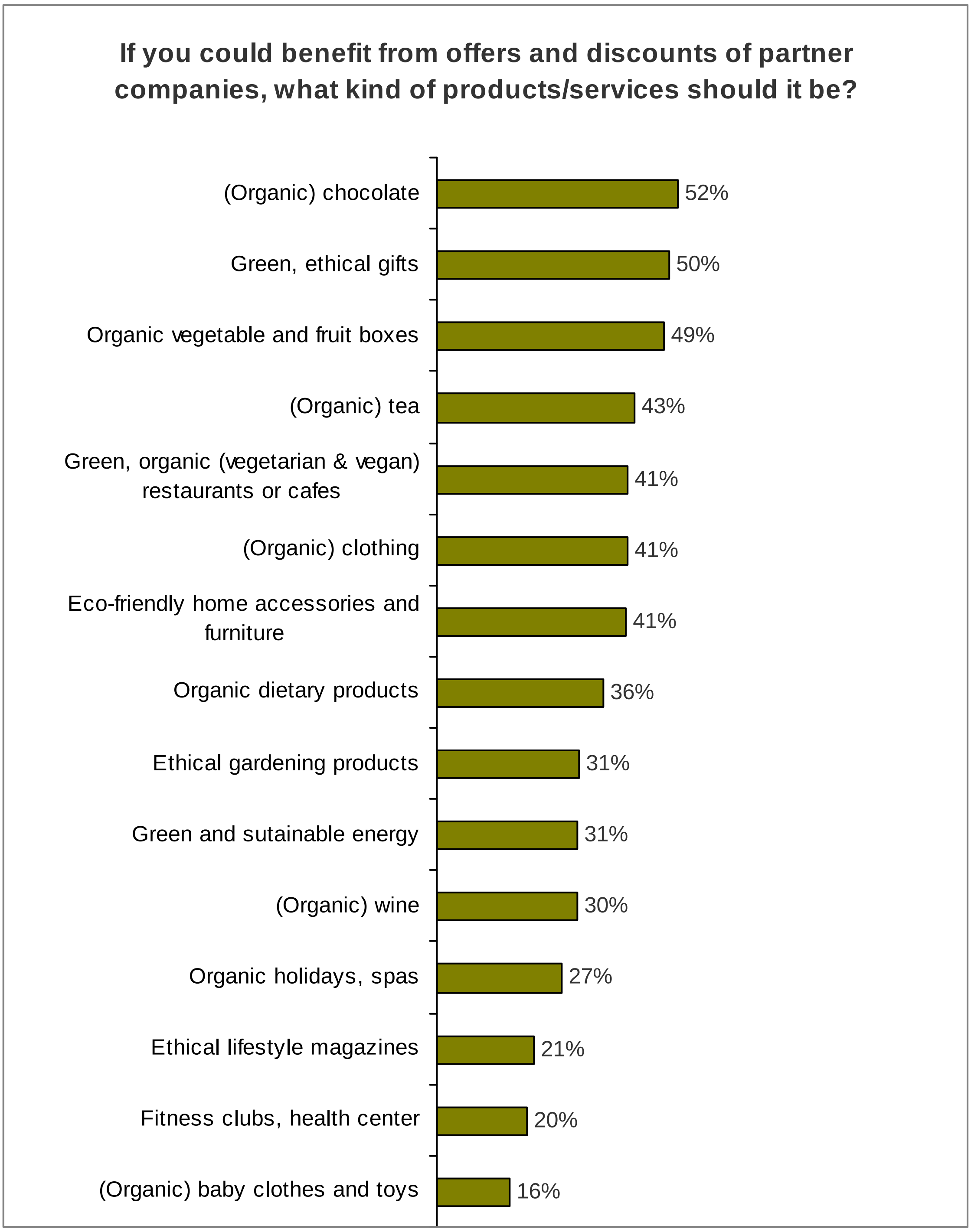

Figure 23: Question 12

Question 13

Question 13 aimed to investigate further potential for consultant recruitment through a multiple choice question with one answer possibility and was also providing a comment field. This question was answered by 548 people and skipped by 4 people.

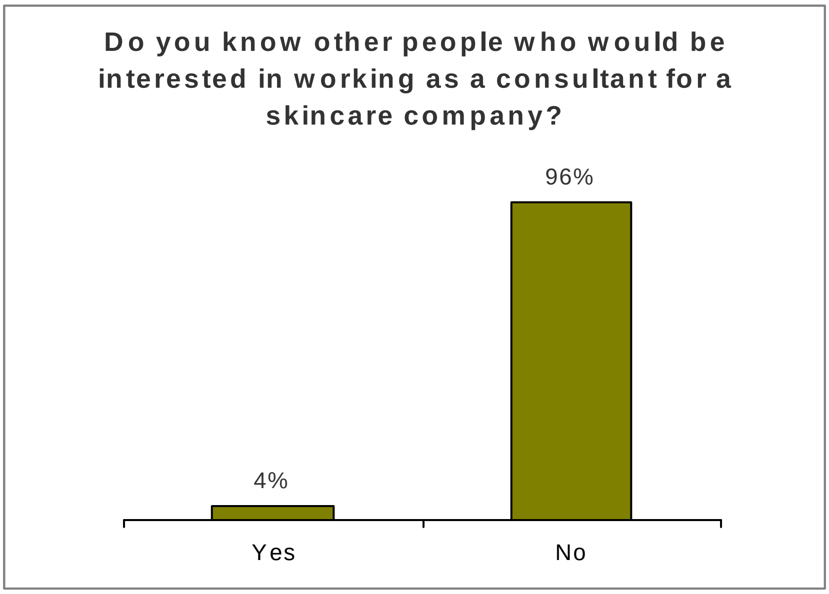

Figure 24: Question 13

All respondents were directed to this question to state how many people they could possibly know who would be interested in becoming a consultant. The purpose of this question was to give an idea about the number of further potential recruits. As a result the respondents claimed to know 22 persons who might be interested in consultancy. To sum up these 22 persons could also be added to the 75 potential recruits resulting from question 10.

Demographic questions

The questions at the end of the survey asked the respondents for demographic data which will serve as additional information to interpret the results of this survey. However these questions were not mandatory and therefore skipped by 16 persons so that in the end 536 persons answered these questions. A question asking for gender was not included as the previous survey revealed that 96% of the interrogated customers were women.[54]

Question 14 (multiple choice question with one answer possibility)

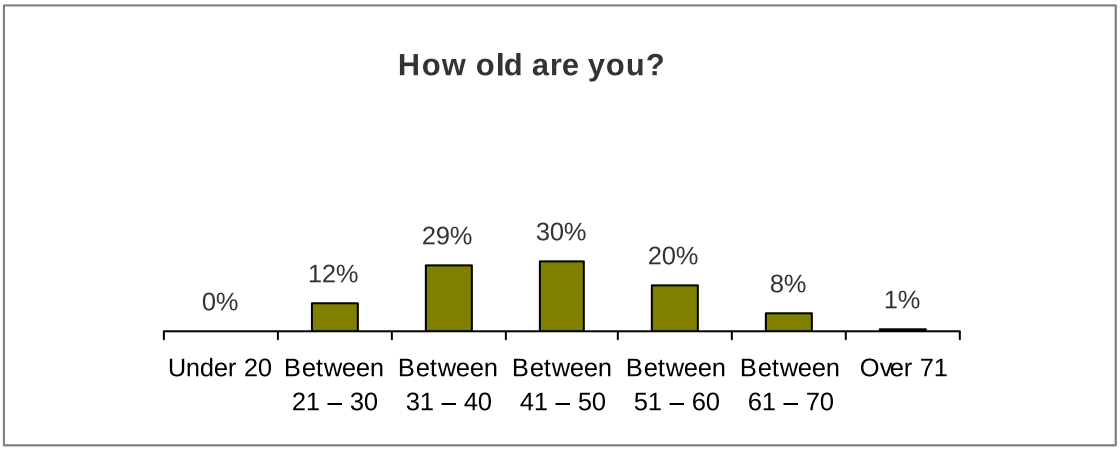

Figure 25: Question 14

The result of this question reflects Essential Care's target group which comprises women at the age between 30-60. It also provides information which helps to better understand the attitudes and behaviour of the different age groups which will be considered in the following.

Looking at how the different age groups answered the question about attending a party indicates a decrease of interest in home parties with increasing age. This implies that the

[54] Essential Care survey, April 2010

persons aged between 21-30 show the highest interest in attending a home party with 11% of positive answers, followed by the persons aged between 31-40 with 10%. Further the interest of persons at the age of 41-50 is 7% and for the ones aged between 51-60 just 5%. The results of the next question asking for their interest in hosting a party follow the same patterns. Therefore 8% of the persons aged between 21-30 would host a party followed by the ones aged between 31-40 with 7% and the group of the 51-60 shows again the fewest interest.

Looking again at the 4 persons who said they want to become a consultant, the findings reveal that 3 persons are aged between 31-40 and another person is aged between 51-60. Looking at the persons who would ‘maybe’ be interested in becoming a consultant, the results show the same tendency again resulting in the highest interest of persons aged between 21-30 (20%) and then again a decrease with increasing age.

The findings of this question indicate that the party plan concept is especially suitable for the younger generation of people aged between 21-30. A possible consequence could be that Essential Care should approach persons who are slightly younger than its general target group when introducing the party plan concept.

Question 15 (multiple choice question with multiple answer possibilities)

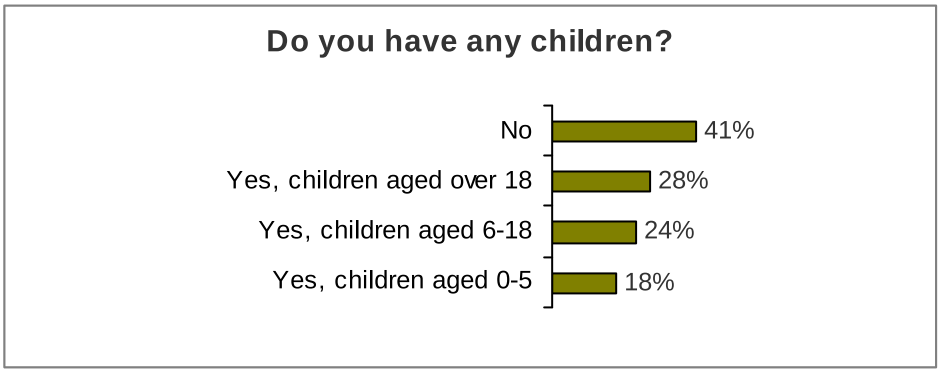

Figure 26: Question 15

The purpose of this question was to find out if there is a different amount of interest in home parties and consultancy depending on the person having children or not and also if there is an increasing interest which can be related to the age of the children.

As a result, the persons who have children aged between 0-5 show the biggest interest in attending a home party with 15%, followed by persons with children at the age of 6-18 with 8%, then the ones with children aged over 18 with 8% and the persons not having children show the least interest of all with only 5%. Looking at the question if they would invite a consultant, the result follows a similar pattern as 9% of the persons with children aged 0-5 show the most interest and persons without children show less with 4%. Finally the interested in consultancy in relation to this question does not present any tendency as the 4 persons who said they are interested in becoming a consultant all marked different answers.

The overall results of this question indicate a clear tendency of persons with children aged between 0-5 showing the most interested in attending a home party among all the other target populations. These are some of the key findings of this thesis which will be considered again in the conclusion

Question 16 (multiple choice question with one answer possibility)

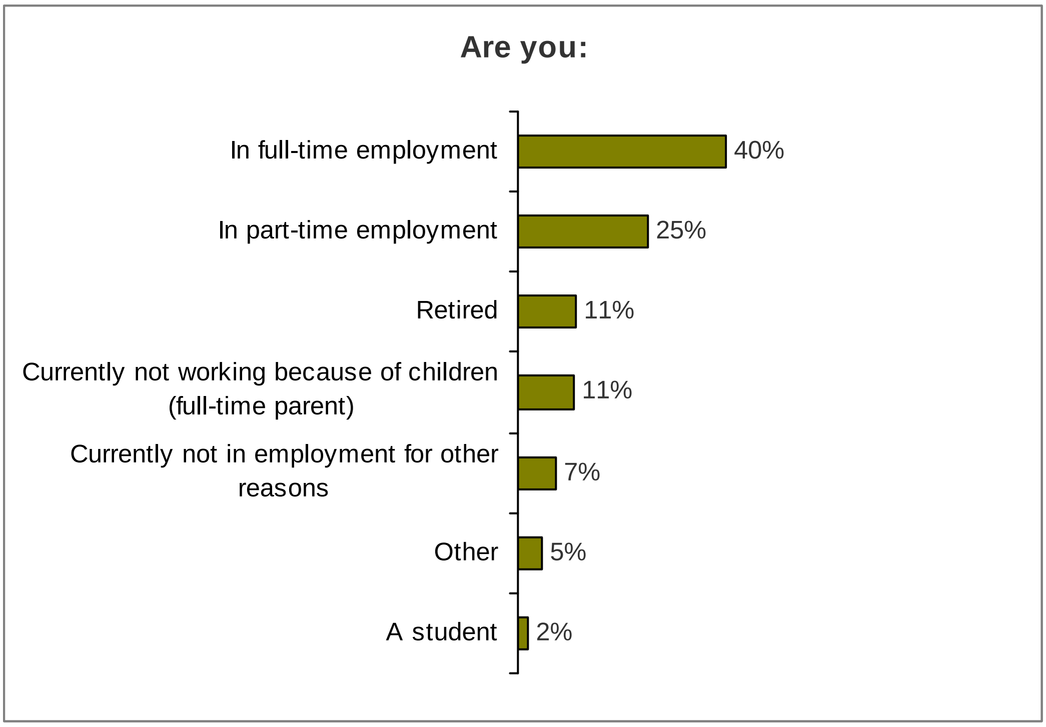

Figure 27: Question 16

The results of this question show clearly that the majority of the respondents are in full-time employment. As the results of the previously explained questions revealed, especially the respondents who are in part-time employment and who are currently not working because of children are of peculiar interest in relation to the research goal. Therefore the characteristics of these demographic groups will be illustrated in the following and in comparison with the majority of the respondents who are in full-time employment.

Full-time employment: 212 persons (40%)
25% of these persons have already attended a home party, 8% percent would attend a home party in future and 44% maybe
5% would invite a consultant and 25% maybe
None of these persons would want to become a consultant but 13% maybe
33% are aged between 31-40 and 34% between 41-50
The majority of 61% has no children

Part-time employment: 133 persons (25%)
31% have already attended a home party, 9% would like to attend a party in future and 45% maybe
4% would invite a consultant and 27% maybe
2% would like to become a consultant and 11% maybe
The majority of 41% is aged between 41-50
34% have children aged between 6-18

Currently not working because of children: 58 persons (11%)
29% have already attended a home party, 5% would like to attend a party in future and 50% maybe
10% would invite a consultant and 31% maybe
2% would like to become a consultant and 28% maybe
The majority of 60% is aged between 31-40
71% have children aged between 0-5

The results of the other groups revealed that the persons who stated they are a student totalled 20%, the highest interest in attending a party however in fact these were only 2 persons out of the 10 persons who claimed to be a student. Further looking at persons who are not employment for other reasons only 5% stated interest in attending a party but a considerable 10% were interested in hosting a party. Further 3% were interested in becoming a consultant and 26% maybe. Persons who stated they are retired showed the least interest in attending a party. Further there was neither a specific interest of both groups concerning hosting a party nor in consultancy.

The comparison of these results suggested rather not to approach persons in full-time employment and who are retired for becoming a consultant as there seems to be less interest than among the other target populations. However persons who are not working because of children and also who are not employment for other reasons showed the highest interest in hosting a party at their home and also seem to be more willing to work as a consultant in contrast to persons in part-time or full-time employment.

Question 17 (open question in form of a single textbox)

The last demographic question asked where the respondents live. This was an open question asking the respondents to name the nearest town to where they live. The following graph shows the 10 most frequently named towns:

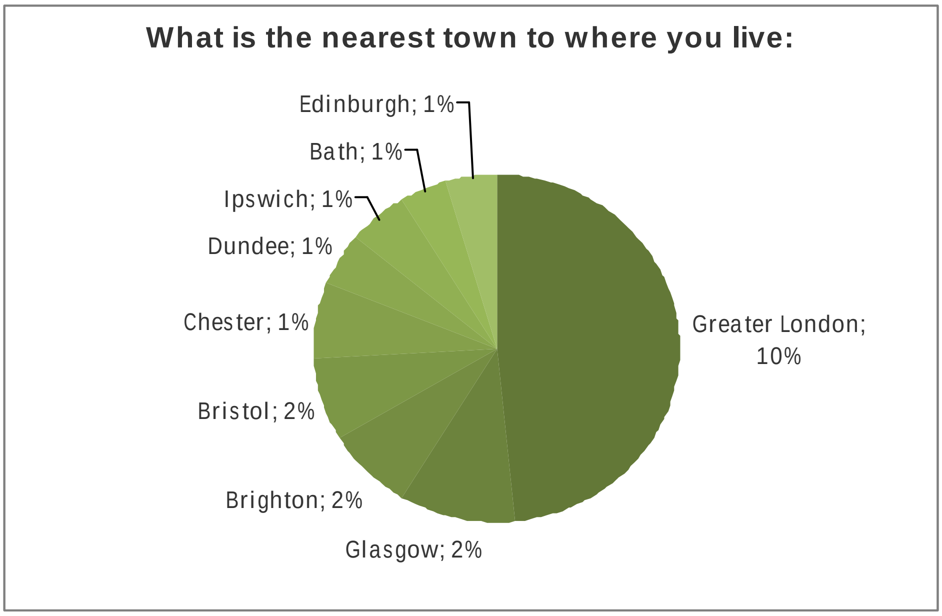

Figure 28: Question 17

As a result, the majority of 56 persons stated to live in Greater London, England. Besides this another 12 persons said they live in Glasgow, Scotland. Based on the results of this question it is possible to evaluate the areas where most of the persons live who answered the three key questions positively:

Question 5: The majority of the 40 persons who said ‘Yes’ to attending a party live in the South East of England (23%), followed by the South West (20%) and Greater London (13%).

Question 8: Of the 27 persons who said they would invite a consultant to their home, the majority of these persons live in South West England (26%) and Greater London (19%).

Question 9: From the 4 persons who stated that they would like to become a consultant 2 people live in Glasgow Scotland, 1 person lives in Newport, Wales and another person lives in Worcester, England.

These findings could result from the fact that 90% of the persons on Essential Care’s customer database live in England and further 7% in Scotland. Further the products are mainly distributed to the following areas: South East, East of England and Greater London which could further explain the results of this question.[55]
An analysis of this data in combination with the responses of persons who said in question 4 that there were no parties offered where they lived was also intended. However, a closer look at where these 128 persons live showed that London was named a few times although previous market research conducted by Essential Care revealed that most of the competitors in particular offer their home parties in London.[56]
As a consequence to find out in which areas are less covered further research is needed.

[55] Essential Care survey April 2010
[56] Essential Care competitor benchmarking October 2010

Question 18 - Please feel free to state any comments

At the end of the questionnaire the respondents had the option to give feedback. 53 people took advantage of this opportunity and gave their comments. More than half of the comments were entirely positive about Essential Care and its products. About one quarter of the 53 people made constructive suggestions to improve the company's products and service. In total there were only 3 negative comments about the company and its services and 2 people criticised the questionnaire.

Conclusion

This chapter will review the research methods conducted to evaluate the main research goal and further to summarise the findings to provide recommendations for Essential Care.

The main goal of this thesis was to evaluate if it is viable for Essential Care to introduce a direct selling channel in the form of the party plan concept in the United Kingdom. For this purpose different research methods were used to analyse internal and external factors as well as the investigation of the company's own client's interest. The analysis of the market in the United Kingdom showed the market size of the direct selling market and revealed the current situation of the UK labour market. The SWOT analysis revealed company-internal as well as external factors which could have an influence on the success of Essential Care's party plan concept and therefore have to be taken into consideration. After all the main focus of this thesis was on the survey which assessed the interest of Essential Care's mailorder customers in participating in the party plan concept. The findings resulting both from the market analysis and the survey were particularly revealing thus providing new insights into the current market situation of direct selling in the UK, including opportunities and limitations.

The overall findings related to the market analysis in the UK showed that there is a promising opportunity for Essential Care to introduce a direct selling channel. The findings demonstrated that there is a well established market for direct selling in the United Kingdom, the fourth biggest direct selling market in Europe. The sector for cosmetics and personal care is also the largest in Europe compared to other product categories. Besides this, the analysis of the UK labour market revealed that the direct selling industry is already benefiting from the current recession where an increasing demand of part-time jobs is reported. Another market characteristic indicated by the survey is that the main competitors in the cosmetic direct selling business do not operate in the organic skincare market. Furthermore the market analysis revealed that only 15%

of direct selling in the United Kingdom is performed through party plan selling. This fact is also indicated by the findings of the survey where one third of the respondents stated that there were no home parties offered where they live. However the investigation of these results has also proven that further research is needed to evaluate which areas are underserved. To sum up these findings in relation to the market situation highlight that there are fewer competitors in the direct selling market than on the high street, which is of vital importance for the decision whether to launch the party plan concept or not.

The main focus of the thesis was on the survey which was conducted to evaluate the interest of Essential Care's own customers in the party plan concept. One important limitation of the survey which has to be considered lies in the fact that it only examined the interest of Essential Care's mailorder customers and not the interest of its entire customer base. At first glance the findings resulting from the survey were less positive than expected. It revealed that about 70% of the respondents would not like to buy Essential Care products at a home party and only 7% would like to attend a home party in future. Also the interest in consultancy was just 1%, which is surprisingly small. However, looking at these findings from another perspective indicates that there could be a considerable number of potential consultants compared with the number that is needed to break even on the costs. Further the respondent's low interest in buying Essential Care products at a home party implies that the direct sales channel is unlikely to jeopardise revenue in the company's other sales channels, such as mail order and retail. However, the empirical findings resulting from the survey provide a better understanding of the customer's needs and wishes. Therefore the survey results could serve as guidance that illustrates which target groups should ideally be addressed in relation to attending/hosting a party and further consultant recruitment. The findings from the survey in general suggest that Essential Care should not target its own customers but rather adress a new customer base which is slightly younger than its general target group. Regarding a potential target group the findings illustrated that persons aged between 21-30 showed the highest interest both in attending and hosting a party, in comparison to older age groups where there was less interest. Further the survey indicated that especially persons having young children between the age of 0-5 and persons who are also not working because of children or because of another reason seem to have the highest interest both in hosting and attending a home party. Considering the consultant recruitment it is suggested that especially persons who are not working because of children or because of another reason should be approached. The persons working in part-time employment show a slightly lower interest in comparison with the persons mentioned above. But in contrast to attending and hosting a party, for consultancy it is advisable to target persons at the age between 31-40. Taken together, these findings suggest that Essential Care should approach specific target groups within a possible launch of its party plan concept.

Both the survey and the SWOT analysis pointed out that there are potential risks Essential Care would have to consider and allow for when introducing the party plan concept. First of all the survey demonstrated that some persons don't like the concept of home parties when also connected with an obligation to buy. This was further supported by a quarter of the respondents who stated they had not found an appealing party concept so far. A possible consequence resulting from these findings would be that Essential Care would have to offer a party plan concept which differs clearly from the ones on the market and which avoids strictly a pressure to buy.

Returning to the main research goal described at the beginning of this thesis, it is now possible to state that there is an interesting opportunity for Essential Care to introduce the party plan concept in the United Kingdom. A promising market potential is approved by all three market research methods and the direct selling channel seems to be more suitable for the special characteristics of Essential Care products than the retail sales channel. However it is indispensable that the company would need to compensate its internal weaknesses to succeed. To compensate its lack of experience in direct selling, this implies the company would have to hire a professional who is highly experienced in this field. This person should implement a strong marketing strategy tailored to the specific target groups to get a high number of recruited consultants in the first few months which is the key factor for a success of this project. Besides this, further research is needed to evaluate the exact areas which are not covered yet by competitors to select locations where the concept could possibly be launched. In concluding it is essential that the company would have to develop a party plan concept which differs clearly from the ones that competitors offer to succeed.

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Appendix

Essential Care Questionnaire

1. Essential Care questionnaire

Your opinion counts! By answering the questions you can help Essential Care consider new ways to make our products available. This is an anonymous and confidential survey; we won't share or publish your answers and will only use them for internal market research. Please answer the following brief questions by ticking the most appropriate answer for you.

You will find the the £7 voucher code on the last page of the survey. Make sure you write the code down before you press 'Done'!

Explanation of terms:
- Home party: A consultant is invited to someone's home to demonstrate products to the host and his/her guests
- Consultant: A person selling products directly to consumers (e.g. through home parties) in exchange for a fee or commission

* 1. How frequently do you buy Essential Care products?

- ◯ Every month
- ◯ Every 3 months
- ◯ Every 6 months
- ◯ Every 12 months

* 2. How would you prefer to buy Essential Care products?

	Yes	Maybe	No
At retail stores	◯	◯	◯
At a home party	◯	◯	◯
At fairs or exhibitions	◯	◯	◯
Over the phone	◯	◯	◯
From a catalogue by post	◯	◯	◯
Online from Essential Care's website	◯	◯	◯
Online from other online shops	◯	◯	◯
In a beauty institute/spa	◯	◯	◯

Other

____

* 3. Have you ever attended a home party for skincare products?

- ◯ Yes
- ◯ No

If yes, which brand/company's party did you attend?

____

Essential Care Questionnaire

2.

1. Why haven't you attended a home party for skincare products in the past?

- ◯ There were no home parties offered where I live.
- ◯ I haven't thought about attending a party so far.
- ◯ I haven't found an appealing party concept so far.
- ◯ Other (please specify)

*** 2. Would you like to attend a home party for skincare products in the future?**

- ◯ Yes
- ◯ Maybe
- ◯ No

If not, why not?

Essential Care Questionnaire

3.

*** 1. For which reason would you go to a home party?**

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
To have a nice evening with my friends	○	○	○	○
To have a free mini facial	○	○	○	○
To receive an individual and professional beauty consultation	○	○	○	○
To buy discounted products and receive special offers	○	○	○	○

Other (please specify)

*** 2. Which of the following products would you buy at a home party?**

	Yes	Maybe	No
Aromatherapy oils	○	○	○
Gifts	○	○	○
Make up	○	○	○
Face and body care for problem skin	○	○	○
Bodywashes, soaps and shampoos	○	○	○
Face and body care for normal skin	○	○	○
Pregnancy skincare products/baby skincare products	○	○	○

*** 3. Would you invite a consultant to demonstrate skincare products at your home?**

○ Yes

○ Maybe

○ No

Essential Care Questionnaire

4.

*** 1. For which reason would you invite a consultant to host a party at your home?**

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
If I can benefit from discounts and offers at partner companies	◯	◯	◯	◯
If I can buy the products at a discounted price	◯	◯	◯	◯
If I get a free gift	◯	◯	◯	◯

Other (please specify)

*** 2. Would you be interested in becoming a consultant to sell skincare products at home parties?**

◯ Yes

◯ Maybe

◯ No

Essential Care Questionnaire

5.

*** 1. For which reason would you work as a consultant for a skincare company?**

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
To receive vouchers and discounts from partner companies	◯	◯	◯	◯
Joining a community and meeting new people	◯	◯	◯	◯
High flexibility and independence	◯	◯	◯	◯
Extra income	◯	◯	◯	◯
To work with products that I like and believe in	◯	◯	◯	◯

Other (please specify)

*** 2. If you could benefit from offers and discounts of partner companies, what kind of products/services should it be?**

- ☐ Organic vegetable and fruit boxes
- ☐ Eco-friendly home accessories and furniture
- ☐ (Organic) baby clothes and toys
- ☐ Green, organic (vegetarian & vegan) restaurants or cafes
- ☐ (Organic) tea
- ☐ Green and sutainable energy
- ☐ Ethical lifestyle magazines
- ☐ Ethical gardening products
- ☐ Green, ethical gifts
- ☐ (Organic) chocolate
- ☐ Organic dietary products
- ☐ Organic holidays, spas
- ☐ (Organic) clothing
- ☐ Fitness clubs, health center
- ☐ (Organic) wine

Other (please specify)

Essential Care Questionnaire

*** 3. Do you know other people who would be interested in working as a consultant for a skincare company?**

- ◯ Yes
- ◯ No

If yes, how many people do you think could be interested in becoming consultants?

[ ]

*** 4. How old are you?**

- ◯ Under 20
- ◯ Between 21 – 30
- ◯ Between 31 – 40
- ◯ Between 41 – 50
- ◯ Between 51 – 60
- ◯ Between 61 – 70
- ◯ Over 71

*** 5. Do you have any children?**

- ☐ Yes, children aged 0-5
- ☐ Yes, children aged 6-18
- ☐ Yes, children aged over 18
- ☐ No

*** 6. Are you:**

- ◯ A student
- ◯ In full-time employment
- ◯ In part-time employment
- ◯ Currently not working because of children (full-time parent)
- ◯ Currently not in employment for other reasons
- ◯ Retired
- ◯ Other

*** 7. What is the nearest town to where you live:**

[ ]

Essential Care Questionnaire

6. Thank you very much for filling in this questionnaire!

To claim your £7 voucher, choose the products you would like from www.essential-care.co.uk and then enter the word:
party
at the top of the Essential Care checkout page.

Not yet though! The voucher is valid from 1st to 31st January 2011. (Please note that due to technical problems with the VAT update on our website, the voucher may not be working until 4th January 2011. Our sincere apologies.)

Only one voucher can be redeemed per respondent and the voucher is only valid at essential-care.co.uk and not from other retailers.

Thanks again for your help and enjoy your voucher.

1. Please feel free to state any comments:

Claim your £7 Essential Care voucher!

02 Dec 2010

Dear Essential Care friends,

Just a few weeks left before celebrating Christmas. If you haven't had chance yet to buy all your Christmas gifts, stay out of the snow and have a look at our wonderful online special offers, like 25% off our exquisite Coconut Candy Scrub and 20% off our Rose and Citrus Gift Sets . Another Christmas special is our Advent Calendar on facebook where every day you can win different goodies from our organic skincare range until 24th December!

£7 Essential Care voucher for everyone who fills in our questionnaire

Essential Care is exploring new ways to bring our gorgeous products to you and your home. We don't want to reveal too much, so if you like to find out more please see our questionnaire. By filling it in, you can claim a **£7 voucher to spend at www.essential-care.co.uk during January 2011** (no minimum spend). Please fill in the questionnaire by 31 st December 2010. We know you are short of time before Christmas, but the questionnaire will only take 5 minutes to answer. Your answers are entirely anonymous.

Just click on the link below and you will be automatically redirected to the online questionnaire:

http://www.surveymonkey.com/s/3CQGR55

You will find the the £7 voucher code on the last page of the survey. Make sure you write the code down before you press 'Done'!

Thank you so much and merry Christmas!

With all our best wishes,

The Essential Care team

Essential Care Questionnaire

SurveyMonkey

1. How frequently do you buy Essential Care products?

	Response Percent	Response Count
Every month	6.5%	36
Every 3 months	28.8%	159
Every 6 months	26.6%	147
Every 12 months	**38.0%**	**210**
answered question		**552**
skipped question		**0**

2. How would you prefer to buy Essential Care products?

	Yes	Maybe	No	Rating Average	Response Count
From a catalogue by post	27.0% (149)	**41.1% (227)**	31.9% (176)	2.05	552
Online from Essential Care's website	**92.4% (510)**	6.7% (37)	0.9% (5)	1.09	552
Online from other online shops	**39.1% (216)**	**39.1% (216)**	21.7% (120)	1.83	552
At a home party	4.5% (25)	24.5% (135)	**71.0% (392)**	2.66	552
Over the phone	18.3% (101)	29.0% (160)	**52.7% (291)**	2.34	552
At retail stores	**56.9% (314)**	32.2% (178)	10.9% (60)	1.54	552
At fairs or exhibitions	12.0% (66)	42.8% (236)	**45.3% (250)**	2.33	552
In a beauty institute/spa	14.7% (81)	36.2% (200)	**49.1% (271)**	2.34	552
				Other	6
answered question					**552**
skipped question					**0**

3. Have you ever attended a home party for skincare products?

	Response Percent	Response Count
Yes	24.3%	134
No	**75.7%**	**418**
If yes, which brand/company's party did you attend?		127
answered question		**552**
skipped question		**0**

4. Why haven't you attended a home party for skincare products in the past?

	Response Percent	Response Count
There were no home parties offered where I live.	**33.1%**	**138**
I haven't found an appealing party concept so far.	25.9%	108
I haven't thought about attending a party so far.	24.9%	104
Other (please specify)	16.1%	67
answered question		**417**
skipped question		**135**

5. Would you like to attend a home party for skincare products in the future?

	Response Percent	Response Count
Yes	7.3%	40
Maybe	44.1%	243
No	**48.6%**	**268**
	If not, why not?	177
	answered question	**551**
	skipped question	**1**

6. For which reason would you go to a home party?

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Rating Average	Response Count
To have a nice evening with my friends	**48.2% (135)**	44.3% (124)	6.4% (18)	1.1% (3)	1.60	280
To receive an individual and professional beauty consultation	42.9% (120)	**49.3% (138)**	6.1% (17)	1.8% (5)	1.67	280
To have a free mini facial	**44.6% (125)**	40.0% (112)	12.1% (34)	3.2% (9)	1.74	280
To buy discounted products and receive special offers	**64.3% (180)**	32.9% (92)	2.9% (8)	0.0% (0)	1.39	280
					Other (please specify)	8
					answered question	**280**
					skipped question	**272**

7. Which of the following products would you buy at a home party?

	Yes	Maybe	No	Rating Average	Response Count
Pregnancy skincare products/baby skincare products	17.9% (50)	25.4% (71)	**56.8% (159)**	2.39	280
Aromatherapy oils	36.8% (103)	**46.8% (131)**	16.4% (46)	1.80	280
Face and body care for problem skin	**48.6% (136)**	35.0% (98)	16.4% (46)	1.68	280
Face and body care for normal skin	**56.8% (159)**	34.3% (96)	8.9% (25)	1.52	280
Bodywashes, soaps and shampoos	**55.7% (156)**	39.3% (110)	5.0% (14)	1.49	280
Make up	42.9% (120)	**46.4% (130)**	10.7% (30)	1.68	280
Gifts	42.5% (119)	**51.1% (143)**	6.4% (18)	1.64	280
				answered question	**280**
				skipped question	**272**

8. Would you invite a consultant to demonstrate skincare products at your home?

	Response Percent	Response Count
Yes	4.9%	27
Maybe	24.3%	133
No	**70.8%**	**388**
answered question		**548**
skipped question		**4**

9. For which reason would you invite a consultant to host a party at your home?					
	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Response Count
If I get a free gift	**55.6% (89)**	35.6% (57)	7.5% (12)	1.3% (2)	160
If I can buy the products at a discounted price	**71.3% (114)**	28.8% (46)	0.0% (0)	0.0% (0)	160
If I can benefit from discounts and offers at partner companies	38.8% (62)	**47.5% (76)**	10.6% (17)	3.1% (5)	160
				Other (please specify)	10
				answered question	**160**
				skipped question	**392**

10. Would you be interested in becoming a consultant to sell skincare products at home parties?		
	Response Percent	Response Count
Yes	0.7%	4
Maybe	13.7%	75
No	**85.6%**	**469**
	answered question	**548**
	skipped question	**4**

11. For which reason would you work as a consultant for a skincare company?					
	Strongly agree	**Somewhat agree**	**Somewhat disagree**	**Strongly disagree**	**Response Count**
High flexibility and independence	**60.3% (47)**	37.2% (29)	2.6% (2)	0.0% (0)	78
Extra income	**73.1% (57)**	24.4% (19)	1.3% (1)	1.3% (1)	78
To work with products that I like and believe in	**82.1% (64)**	16.7% (13)	1.3% (1)	0.0% (0)	78
Joining a community and meeting new people	37.2% (29)	**50.0% (39)**	11.5% (9)	1.3% (1)	78
To receive vouchers and discounts from partner companies	35.9% (28)	**48.7% (38)**	12.8% (10)	2.6% (2)	78
				Other (please specify)	3
				answered question	**78**
				skipped question	**474**

12. If you could benefit from offers and discounts of partner companies, what kind of products/services should it be?

	Response Percent	Response Count
(Organic) wine	30.4%	163
(Organic) chocolate	**52.1%**	**279**
(Organic) clothing	41.4%	222
(Organic) baby clothes and toys	15.9%	85
(Organic) tea	42.7%	229
Organic vegetable and fruit boxes	49.4%	265
Organic holidays, spas	27.1%	145
Ethical lifestyle magazines	20.9%	112
Fitness clubs, health center	19.6%	105
Green and sutainable energy	30.6%	164
Green, organic (vegetarian & vegan) restaurants or cafes	41.4%	222
Green, ethical gifts	50.2%	269
Organic dietary products	36.2%	194
Eco-friendly home accessories and furniture	40.9%	219
Ethical gardening products	30.8%	165
	Other (please specify)	20
	answered question	**536**
	skipped question	**16**

13. Do you know other people who would be interested in working as a consultant for a skincare company?	Response Percent	Response Count
Yes	4.3%	23
No	**95.7%**	**513**
If yes, how many people do you think could be interested in becoming consultants?		17
	answered question	**536**
	skipped question	**16**

14. How old are you?	Response Percent	Response Count
Under 20	0.0%	0
Between 21 – 30	12.1%	65
Between 31 – 40	28.7%	154
Between 41 – 50	**30.2%**	**162**
Between 51 – 60	20.1%	108
Between 61 – 70	7.5%	40
Over 71	1.3%	7
	answered question	**536**
	skipped question	**16**

15. Do you have any children?		
	Response Percent	Response Count
Yes, children aged 0-5	17.9%	96
Yes, children aged 6-18	23.9%	128
Yes, children aged over 18	27.8%	149
No	**40.7%**	**218**
	answered question	**536**
	skipped question	**16**

16. Are you:		
	Response Percent	Response Count
A student	1.9%	10
In full-time employment	**39.6%**	**212**
In part-time employment	24.8%	133
Currently not working because of children (full-time parent)	10.8%	58
Currently not in employment for other reasons	7.3%	39
Retired	11.0%	59
Other	4.7%	25
	answered question	**536**
	skipped question	**16**

17. What is the nearest town to where you live:

	Response Count
	536
answered question	536
skipped question	16

18. Please feel free to state any comments:

	Response Count
	53
answered question	53
skipped question	499

Erklärung zur selbstständigen Anfertigung

Selbstständigkeitserklärung:
Hiermit erkläre ich, dass ich die vorliegende Arbeit ohne fremde Hilfe selbstständig und nur unter Verwendung der angegebenen Literatur und Hilfsmittel angefertigt habe. Alle Teile, die wörtlich oder sinngemäß einer Veröffentlichung entstammen, sind als solche kenntlich gemacht. Die Arbeit wurde noch nicht veröffentlicht oder einer anderen Prüfungsbehörde vorgelegt.

Kingston upon Thames, 22. Februar 2011

Inja Schneider

Inja Schneider